



Daily Report

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21 December 1993

Daily Report

China

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21 December 1993

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General

China Abstains on UN Vote on Bosnian Arms Ban

OW2012232493 Beijing XINHUA in English 2300
GMT 20 Dec 93

[Text] United Nations, December 20 (XINHUA)—The U.N. General Assembly passed a non-binding resolution today urging the international community to lift arms embargo for Bosnia and Herzegovina.

The resolution, which was agreed to by a overwhelming majority votes in the Assembly, also bans the working status of the Republic of Serbia and Montenegro in the world body.

The vote for the resolution was 109 in favor, none against with 57 abstentions. Four out of the five permanent members of the Security Council China, Russia, Britain, France, abstained while another permanent member of the Council, the United States, voted in favor.

This move is seen in the diplomatic circles as a pressure on the Security Council to make such a decision when there is no progress in peace talks of three warring sides, namely the Bosnian Government, the Serbs and the Croats.

In the past, the Security Council disapproved lifting Bosnia arms embargo, fearing that it might trigger an escalating violence between Bosnian Muslims and Serbs in the country.

The European countries, who have contributed troops to the peace- keeping in the former Yugoslav Republic, are afraid of military retaliation from the Bosnian Serbs by agreeing to lift embargo only for the Bosnians.

Bosnia's U.N. Ambassador Muhamed Secirbegovic, in his address to the Assembly today, blamed the West for refusing to lift the arms embargo.

He said the rumor of his nation's death had been greatly exaggerated.

"We make no apology to those who would find it more convenient if we would just disappear rather than serve as a constant reminder to them of their betrayal of principles," he said.

UN Adopts Post of Human Rights Commissioner

OW2112033893 Beijing XINHUA in English 0038
GMT 21 Dec 93

[By Liu Qizhong]

[Text] United Nations, December 20 (XINHUA)—The United Nations today decided to create the post of the high commissioner for human rights, whose job it is "to promote and protect all human rights and fundamental

freedoms" "within the framework of the UN Charter and the Universal Declaration of Human Rights."

The issue was first brought up to the world body three decades ago and put before the current General Assembly by a call of the World Human Rights Conference held in Vienna last July.

The failure of the international community to reach an earlier consensus on the issue was that many developing countries worried that the new commissioner may be used as an instrument to interfere in their internal affairs.

The draft resolution at today's General Assembly session, submitted by a working group of its Third Committee (social, humanitarian and cultural), was prepared on the basis of heated discussions, hard work and consensus.

The resolution was adopted this afternoon by the assembly without a vote.

The high commissioner, the resolution says, shall be promoting and protecting the effective enjoyment by all of all civil, cultural, economic, political and social rights, as well as making recommendations to the General Assembly with a view to improving the promotion and protection of all human rights. [sentence as received]

On the qualities of the high commissioner, it decides that he or she should be a person of high moral standing and personal integrity and shall possess expertise and the general knowledge and understanding of diverse cultures.

The new UN post, in the rank of under-secretary-general, shall be appointed by the UN secretary-general and approved by the General Assembly with due regard to geographical rotation and a fixed term of office for four years, with a possible renewal for another term.

Before and after the draft resolution was adopted, a number of representatives made statements, explaining their positions on the issue.

China believes that the adoption of the resolution is the result of arduous consultations and concerted endeavor of many countries and the Chinese delegation has actively and earnestly participated in the consultations on the draft and made its own contributions towards the achievement of the consensus.

"Consensus has not been reached easily," said Chen Jian, China's representative to the 48th session of the current General Assembly, "and we hope that in the appointment and the work of the high commissioner, this consensus will be highly valued and strictly respected."

He also said that the high commissioner, in performing his mandates, should respect the sovereignty, territorial

integrity and domestic jurisdiction of states, give consideration to the particularities of different countries and regions as well as the significance of various historical, cultural and religious backgrounds.

"The high commissioner should especially make down-to-earth effort to promote the balanced and sustainable development of all peoples" the Chinese ambassador continued, "and ensure the realization of the right to development, because this is the urgent issue confronting most UN members and should be given priorities in the UN field of human rights."

Chen also pointed out that "this resolution has failed to attach sufficient importance to some issues of concern to the Third World countries, nor does it point out explicitly the existing serious obstacles to international cooperation for the universal realization of human rights."

Speaking on behalf of state members of the non-aligned movement, Nugroho Wisnumurti, permanent representative of Indonesia, said that the resolution constituted a significant step towards the promotion and protection of human rights through international cooperation.

On implementing the mandates of the high commissioner, he said that it was pertinent to note that the high commissioner would have to play an active role and engage in dialogue with all governments concerned.

Victor Marrero, U.S. alternate representative to the current General Assembly session, called today's resolution a major step forward. He said that the U.S. delegation "eagerly awaits the nomination by the secretary-general of an outstanding candidate for the post."

Reportage on Li Lanqing's Activities in India

Discusses Education, Ties

OW1912135193 Beijing XINHUA Domestic Service in Chinese 1625 GMT 17 Dec 93

[By reporters Li Jiasheng (2621 1367 5116) and Li Guorong (2621 0948 2837)]

[Text] New Delhi, 17 Dec (XINHUA)—During an interview here today by a U.S. Cable News Network reporter, Li Lanqing, vice premier of the Chinese State Council who is here to attend the nine-country Education-for-All [EFA] summit meeting, discussed his views on issues relating to the summit meeting and Sino-Indian relations.

Li Lanqing said: The EFA summit meeting, which was attended by the heads of nine most densely populated developing countries or by their representatives, was an important conference, which brought the conferees together to share their countries' experiences in universalizing primary education and eradicating illiteracy. This was a good event. Leading officials from UNESCO, UNICEF, and the United Nations Population Fund

attended the meeting. This shows the international community's support for the developing countries' efforts to promote education.

In response to questions on Sino-Indian friendly and cooperative relations, Li Lanqing said: Both China and India are densely populated countries. The two nations face similar problems and share similar views on many issues. Exchanges and cooperation, therefore, are beneficial to their economic development.

Addresses Dinner

OW1912142593 Beijing XINHUA Domestic Service in Chinese 1142 GMT 18 Dec 93

[By reporters Li Guorong (2621 0948 2837) and Li Jiasheng (2621 1367 5116)]

[Text] New Delhi, 18 Dec (XINHUA)—Visiting Chinese Vice Premier Li Lanqing said here today that there is great potential for cooperation between China and India—the two most populous nations in the world—in the fields of economics and technology. He said he wished to see greater bilateral cooperation in these areas.

Li Lanqing made these remarks at a dinner last evening given in his honor by Indian Minister of Commerce Mukherjee.

Li Lanqing said: The current status of Sino-India trade is not worthy of the two nations. We should expand bilateral trade and develop direct trade. The two sides should enhance mutual understanding. They may hold large exhibitions in each other's country at some appropriate time. He noted: The two nations have their respective strengths in some economic and technical fields, which can serve as a basis for joint venture enterprises. It should be noted that there are great prospects for cooperation between the two nations in these areas. They may expand cooperation in coal, electricity, communications and other infrastructure facilities. India has ores and China possesses iron smelting technology; they can jointly explore mineral resources. He also stressed that the two nations should further enhance personnel exchanges.

Quoting Deng Xiaoping's saying that "Without development in China and India, there will be no development in the Asian-Pacific Region in the next century," Li Lanqing said that China-India cooperation is an essential component of South-South cooperation.

Mukherjee seconded Li Lanqing's remarks, saying India and China should work together to enhance economic and technical cooperation.

Yesterday morning, Li Lanqing, at the invitation of Singh Hania [transliteration of name as received], chairman of the Indian Association of Industry and Commerce, met with notables of India's business circles and briefed them on reform and opening up in China.

Lebanese Tells XINHUA of Detainees in Angola

*OW1712125793 Beijing XINHUA in English 1145
GMT 17 Dec 93*

[Text] Beirut, December 17 (XINHUA)—The Lebanese Government has to ask for help from the international community to solve a crisis of Lebanese descendants in Angola, a high-ranking Lebanese Foreign Ministry official said today.

Safir Husayn al-Musawi [name as received], director for International Affairs of the Foreign Ministry told XINHUA that the government found itself in an embarrassing position at present when about 350 Lebanese descendants detained by the Angolan authorities sought help from it.

"What we can do is limited because we do not have diplomatic relations with that country and we have to ask other friendly countries to intervene in this issue," the official admitted in the interview with XINHUA.

He added that the Lebanese Foreign Ministry has instructed its embassy in Cairo to make contacts with the Egyptian authorities to exert an influence to protect Lebanese interests in Angola.

Egypt is the present chairman of the Organization of African Unity (OAU).

There are over 6 million Lebanese descendants living overseas, most of them reside in Australia and Latin America and only about 100,000 are living in Africa, according to the official.

"The Lebanese descendants in Africa are different from those in Australia and Latin America because they are refused to get the nationalities of the African countries and they are still carrying Lebanese passports with them," al-Musawi pointed out.

It was reported that the Angolan Government had detained nearly 300 Lebanese descendants in the Angolan capital of Luanda after another 57 attempted to enter that country from the Congo illegally.

The 57 Lebanese descendants were arrested by the Angolan security authorities last Monday [13 December] and their properties were confiscated.

A leader of the Lebanese descendant community in Luanda said that the situation was "very bad" and the properties of the detainees were in danger.

U.S., DPRK Officials Meet on Nuclear Issue

*OW2012224993 Beijing XINHUA in English 2114
GMT 20 Dec 93*

[Text] Washington, December 20 (XINHUA)—U.S. officials met with representatives of the Democratic People's Republic of Korea (DPRK) in New York today to discuss the DPRK nuclear inspections issue, the State Department said here.

Christine Shelly, spokeswoman of the department, told a regular news briefing that "at North Korean request, State Department officials are meeting in New York today with representatives of the North Korean Mission to the United Nations."

"This meeting is taking place at the same level as the previous meetings in New York," she said.

This is the third meeting between the officials of the United States and the DPRK in this month. They held their previous meetings separately on December 3 and 10.

The DPRK presented U.S. officials in New York on December 3 a proposal that offered to allow international inspectors wider access to its nuclear sites.

Shelly said today's meeting is the response to the U.S. last proposal to the DPRK.

But she refused to give any specific information about today's discussion.

'Roundup' Discusses Iraq's 'Trial' With West

OW2012022893 Beijing XINHUA Domestic Service in Chinese 1433 GMT 19 Dec 93

[“Roundup” by Zhang Dacheng (1728 1129 2052)]

[Text] Baghdad, 19 Dec (XINHUA)—The year 1993 is one in which Iraq is continuing to pay a high price for its invasion of Kuwait three years ago. It is also a year in which Iraq is striving to end the international sanctions and has made some progress in this regard.

This year, Iraq remains in dire straits at home and abroad. Western allied forces, with U.S. forces as the main component, are watching the "no-flight zones" in both southern and northern Iraq. Moreover, they have repeatedly bombed Iraq's air defense positions, and even launched two missile strikes at Baghdad.

In the north, the Kurds, with the support of Western powers, continue to stand up to the Baghdad government as an equal. In the south, the Shiites still confront the Baghdad government.

The troops of neighboring Turkey and Iran have time and again brought their military operations into northern Iraq to strike at armed opposition elements based there. In building the "boundary ditch project" according to the new Kuwait-Iraq boundary set by the United Nations, the Kuwaitis have more than once clashed with Iraqi border residents, and so the Security Council has decided to dispatch more peace-keeping troops to the region.

Since August 1990, the UN economic sanctions against Iraq have entered their fourth year. Over the last year, the embargo further worsened Iraq's economy, causing greater unemployment, commodity shortages, higher prices, and inflation. Many people had to sell their

property to survive. Malnutrition and shortage of medicine have led to more fatalities among children, the elderly, and the sick. The sanctions have also caused inestimable losses to Iraq's basic undertakings, such as science, culture, and education.

Facing the grim situation, the Iraqi Government headed by President Saddam persists in a war-time food rationing system to ensure the people's basic needs and to combat speculators. In addition, it asks all trades and professions to do even more in self-reliance; and particularly encourages the development of agriculture to strive for a food self-sufficiency. To accelerate post-war reconstruction, the Iraqi Government is privatizing more enterprises and striving to improve transport, telecommunications, and other infrastructural facilities.

While tackling economic problems, Iraqi policy-makers have constantly strengthened central and local leadership, reshuffled the post-war cabinet for the third time, enforced army discipline, and improved public order. In addition, the departments concerned have conducted an education in patriotism to guide the people of all walks of life in identifying with the government and tiding over the difficulties together.

In foreign affairs, Iraq has put the stress on ending the international sanctions. Since the second half of this year, it has consistently avoided direct clashes with the United States and other Western nations, paid more attention to working at the United Nations, and shifted from "marginal resistance" to "comprehensive cooperation" in the field of armament inspection, showing a new strategy of "abandoning weapons and seeking oil exports." It has made two major decisions recently: to inform the United Nations of the arms sales to Iraq by foreign firms, and to accept UN Security Council Resolution No. 715 on long-term supervision of Iraq's military industries. It is reported that the United Nations has agreed to consider relaxation or termination of sanctions against Iraq after June 1994. This shows that Iraq's antisancion struggle has entered a crucial stage.

In the three years after the Gulf war, Iraq's situation has changed from a fragile passive defense in the early post-war stage to the present stage of stalemate between itself and the Western nations. The fundamental reason for the Western nations' persistent sanctions against Iraq is to attempt to exercise long-term control of Iraq which, situated in the world's oil treasure house, has the second largest oil deposits in the world. In so doing, the Western nations can unhurriedly arrange a "proper" position for Iraq on the complex and changing Mideast chessboard; and, at the same time, warn any "disobedient" countries during the course of building a "new world order." To seek international sympathy and understanding and to relax or even end the international sanctions against such a main backdrop, it is still necessary for Iraq to have an intense trial of strength [jiao liang 6525 6852] with the West.

United States & Canada

Program Cites Lloyd Bentsen on Chinese Economy

OW2112001393 Beijing Central People's Radio Network in Mandarin 2230 GMT 20 Dec 93

[Report by station reporter Wang Guoqing in Washington, D.C.; from the "News and Press Review" program]

[Text] U.S. Secretary of the Treasury Bentsen said on 19 December: China has the fastest-growing economy in Asia, and it can play a key role in global economic development which the United States simply cannot ignore.

Bentsen emphasized: The United States is witnessing amazing and faster economic growth in China than in any other region of the world, and it must become involved with this.

XINHUA Cites Mickey Kantor on Trade Plans

OW2112043893 Beijing XINHUA in English 0408 GMT 21 Dec 93

[Text] Washington, December 20 (XINHUA)—The Clinton administration has an ambitious trade agenda next year, U.S. Trade Representative [USTR] Mickey Kantor told reporters today.

"Next year we have a very ambitious agenda, and we've already started working on it," Kantor said at his first press conference since returning from the GATT talks in Geneva.

At the top of the agenda, he said, are continuing trade talks with Japan, further opening markets in China, expanding the North America Free Trade Agreement (NAFTA), and building on the success of the Asia Pacific Economic Cooperation (APEC) forum.

Talks to expand and clarify the U.S.-Japan trade agreement reached in July at the Tokyo G-7 [Group of Seven] summit on government procurement, autos and auto parts, and insurance, are expected to end before the February 11 U.S.-Japan summit.

Kantor noted that the Clinton administration will deal with what he called trans-shipments and circumvention in the textile and apparel trade with China.

Calling the informal meeting of APEC in Seattle in November "a success", he promised that the U.S. will explore the trade and investment framework for building APEC into "a viable organization".

Kantor stressed that Washington will discuss the expansion of NAFTA beginning in January during talks with Chile.

Summing up U.S. trade principles, Kantor said, "We should have comparable action on the part of our trading

partners in terms of opening their markets as our markets are open. We should have mutual obligations in our trade relations."

Firm Makes Aircraft Parts for U.S. Company

*OW2112112793 Beijing XINHUA in English 1105
GMT 21 Dec 93*

[Text] Xian, December 21 (XINHUA)—Despite the depression in the world aviation industry, the Boeing Company of the United States continues to order airplane tail fins from the Xian Aircraft Industry Corporation.

The corporation delivered its 300th tail fin for Boeing-737s on schedule December 17 to Boeing.

The corporation began to produce aircraft products for Boeing in 1980, and delivered its first tail fin in March 1988. It supplies 70 percent of all Boeing-737 tail fins.

In response to the Boeing Company's demand for speedier production to increase competitiveness, the corporation has introduced computers in its management. It has turned out 84 aircraft tails this year.

The corporation has received an order for a fourth batch of 100 tail fins, and a fifth batch is expected to be ordered soon.

Central Eurasia

Rong Yiren Receives Uzbek Foreign Minister

*OW2112075093 Beijing XINHUA in English 0726
GMT 21 Dec 93*

[Text] Beijing, December 21 (XINHUA)—Chinese Vice-President Rong Yiren, in a meeting with Saidmukhtar Saidqasymov, minister of foreign affairs of Uzbekistan, said that China is willing to cooperate with Uzbekistan in various fields to promote the common development of the two countries.

During a meeting at the Great Hall of the People this morning, the Chinese vice-president expressed satisfaction with fruitful talks held between Saidqasymov and Chinese Vice-Premier and Foreign Minister Qian Qichen yesterday.

Rong said that China and Uzbekistan are neighbors and that the two peoples enjoy traditional friendship. Rong added that bilateral relations have been developing smoothly, especially since president Islam Karimov's visit to China last year "opened a new page in the history of bilateral ties".

Rong said that enhancing exchanges and strengthening mutual understanding are conducive to the promotion of bilateral friendly relations. China respects the choice of the Uzbekistan people and the policies they adopted according to their domestic conditions.

On bilateral economic ties and trade, Rong said that China encourages its entrepreneurs to invest in Uzbekistan, and Uzbekistan's entrepreneurs are welcome to invest in China.

He said that the economies of the two countries are complementary.

Rong also briefed the guests on China's reforms and opening to the outside world.

Saidqasymov said that Uzbekistan attaches great importance to its relations with China. He added that cooperative agreements reached between the two sides have laid a good foundation for the advancement of bilateral relations.

Saidqasymov briefed Rong on Uzbekistan's domestic situation and spoke highly of the achievements that China has made in its reform and opening up.

During the meeting, the two also exchanged views on international issues. They agreed that the stability of central Asia is closely bound up with world peace and development.

Saidqasymov and his party arrived in China on December 18. They are scheduled to leave here for Changsha this afternoon.

Russia's Yeltsin Removes Three More Aides

*OW1712212193 Beijing XINHUA in English 2010
GMT 17 Dec 93*

[Text] Moscow, December 17 (XINHUA)—Russian President Boris Yeltsin today fired three of his aides, the presidential press service said.

In a presidential decree, Yeltsin relieved Valeriy Burkov, Aleksandr Granberg and Eduard Dneprov of their duties as his advisers.

Meanwhile, first deputy chairman of the "Ostankino" state and radio television broadcasting company, Valentin Lazutkin, was relieved from his duties by the president, the press service added.

However, it did not specify why these high-ranking officials were fired.

The reshuffle in the presidential team began, in fact, on Tuesday [14 December], when the president's political adviser Sergey Stankevich was sacked from his post.

On Thursday, Yeltsin removed his top legal aide Aleksandr Kotenkov from his post as head of the legal department under the president, and fired chairman of the state-run "Ostankino" TV network Vyacheslav Bragin.

The MOSCOW TIMES newspaper said today that these senior officials were fired "following the disappointing performance" of pro-Yeltsin electoral blocs including "Russia's Choice."

With votes counted in 186 of the 225 election districts, the Liberal Democratic Party of Vladimir Zhirinovskiy continued to lead the party vote for the parliament's lower house, the State Duma, with 23.44 percent of the vote.

"Russia's Choice" ranked second with 14.74 percent, while the Communist Party had 13.23 percent.

Those percentage accounted only for the party section of the vote for the State Duma, however. "Russia's Choice" led by first deputy Yegor Gaydar went on to move ahead in the race for the other half of the lower house decided by votes in 225 one-mandate constituencies, the MOSCOW TIMES pointed out.

According to the paper, Yeltsin's spokesman Anatoliy Krasikov said "more heads would roll soon." In addition, the ITAR-TASS News Agency said, Russian security minister Nikolay Golushko may be soon sacked by the president for "misinformation on the balance of forces before the parliament elections.

Ukraine States 'Regret' Over Yeltsin Statement

OW1712162593 Beijing XINHUA in English 1556
GMT 17 Dec 93

[Text] Kiev, December 17 (XINHUA) - The Ukrainian Foreign Ministry expressed resentment Tuesday [14 December] over a statement made by Russian President Boris Yeltsin concerning Ukraine's nuclear weapons.

The ministry aired its discontent after summoning the Russian charge d'affaires in Kiev.

Foreign Minister Anatoliy Zlenko said Yeltsin's statement was unhelpful in trying to resolve differences between the two countries on disarmament.

"We can only express our regret, to put it mildly, this serves the interests of neither Ukraine nor Russia."

On Wednesday, President Yeltsin accused Ukraine of deceiving the whole world when he met U.S. Vice-President Al Gore.

At the start of the meeting with Gore in the Kremlin, Yeltsin attacked Kiev for setting tough conditions on giving up its formerly Soviet nuclear weaponry.

"Ukraine is deceiving us all. It is deceiving the United States, Russia, Europe, deceiving the whole world, and we are so helpless that we cannot deal with this evil," INTERFAX News Agency quoted Yeltsin as saying.

Ivan Plyushch, chairman of the Ukrainian parliament, said Ukraine had violated no international accords by imposing conditions on ratification.

The Ukrainian parliament's decision said Start-1 only applied to 42 percent of the warheads in Ukraine, and that Kiev was not bound by provisions of a protocol requiring it to join the Nonproliferation Treaty and give up nuclear arms.

Northeast Asia

Beijing Hosts Talks on Security With Japan

Beijing Denies Plans for Carrier

OW2012144393 Tokyo KYODO in English 1416 GMT
20 Dec 93

[Text] Beijing, Dec. 20 KYODO—Japan and China ended their first talks ever on mutual security concerns Monday [20 December], with both sides vowing to promote mutual understanding and greater transparency in the areas of defense and security, a Japanese official said.

Hiroshi Oe, a Japanese Foreign Ministry official, said that Japan and China agreed to hold security talks annually and that talks between the two countries' defense ministries will also be held beginning early next year.

Tadashi Ikeda, director general of the Asian Affairs Bureau of the Foreign Ministry, represented Japan in the one-day talks, which were arranged in a meeting between foreign ministers in May.

Oe said that both sides acknowledged the importance of upcoming multilateral talks at an Association of Southeast Asian Nations (ASEAN) forum on security, also to start next year.

Both sides agreed that the United Nations Cambodian peacekeeping operation was successful and expressed willingness to cooperate in the future, Ikeda said.

The Chinese side, represented by Wang Yingfang, director of the Department of Asian Affairs of the Foreign Ministry, said that China is pursuing its own approach to North Korea concerning the nuclear question on the Korean peninsula, but did not elaborate, Oe said.

Wang also stressed China's willingness to cooperate in all nuclear test ban treaties, while emphasizing China's policy of refusal of first strike capability and refusal to use nuclear weapons on nonnuclear countries, he said.

He also said that China refused sales of M-11 missile technology to Pakistan and was appropriately managing its control of chemical weapons.

China also denied that it is planning to build or buy an aircraft carrier, Oe said.

Japan Urges Pressure on DPRK

HK2112061593 Hong Kong AFP in English 0550 GMT
21 Dec 93

[Text] Beijing, Dec 21 (AFP)—Japan has urged China to exert greater pressure on North Korea to accept international inspections of its suspect nuclear facilities, a Japanese Embassy source said here Tuesday [21 December].

The call came during talks on defence issues held Monday in Beijing between the director of the Japanese Foreign Ministry's Asian affairs division, Tadashi Ikeda, and his Chinese counterpart, Wang Yingfan.

The Japanese side suggested that Beijing use its traditional influence with Pyongyang to pressure North Korea into allowing inspections of its nuclear facilities—suspected by the United States and other Western countries of storing plutonium for making nuclear warheads.

While sharing concerns over the North Korean nuclear issue, the Chinese side stressed that Beijing "has its own approach" in dealings with Pyongyang, the source said.

U.S. and North Korean representatives met Monday in New York to discuss the dispute over Pyongyang's nuclear programme—the third such meeting in three weeks.

China and Japan have been extremely reluctant to endorse U.S. President Bill Clinton's threat of U.N. sanctions against Pyongyang, for fear that if North Korea is backed into a corner it might lash out.

U.N. Secretary-General Boutros Boutros-Ghali is currently visiting Japan and is scheduled to travel to Seoul on Wednesday en route for Pyongyang for the first ever visit to North Korea by a United Nations chief.

Meanwhile, Ikeda also warned of regional anxiety caused by China's ongoing military modernisation and suggested Beijing publish a "white paper" to enhance transparency and understanding of its defence policy, the source said.

Responding to Japanese calls for an end to nuclear testing, Wang pointed out that China's testing programme was limited compared to that of other countries and reiterated its non-first strike policy, the source added.

Asian countries had reacted angrily to China's underground detonation of a nuclear device at its Lop Nor desert test site on October 5.

China also stressed its strict control of exports of nuclear materials and dismissed as "groundless" U.S. accusations that it had contravened the Missile Technology Control Regime by selling M-11 missile technology to Pakistan.

According to the source, both sides agreed to continue to hold annual defence talks in the future, alternating between Tokyo and Beijing as venues.

Beijing New Year Ceremony Marks Japanese Ties

OW1912084693 Beijing XINHUA in English 0811
GMT 19 Dec 93

[Text] Beijing, December 19 (XINHUA)—A Sino-Japanese "friendship new year cake making ceremony" was held here today to celebrate the up-coming new year of 1994.

The ceremony was co-sponsored by the Chinese People's Association for Friendship With Foreign Countries (CPAFFC), the China-Japan Friendship Association (CJFA), the Japanese Embassy in China and Japan Airlines.

Some 450 people, including more than 200 Chinese and Japanese pupils, attended the ceremony which lasted one hour and a half.

Chinese and Japanese pupils gave performances of singing and dancing.

Among those present at the ceremony were Han Xu, president of CPAFFC, Sun Pinghua, president of CJFA, and diplomatic officials from the Japanese Embassy.

Both Chinese and Japanese people have the tradition of making new year cakes with glutinous rice flour to greet a coming new year.

The ceremony has been held every year since 1983.

Japanese Firm Signs Joint Venture Contract

OW1812170193 Beijing XINHUA in English 1600
GMT 18 Dec 93

[Text] Guangzhou, December 18 (XINHUA)—A Sino-Japanese electric razor joint venture, the Matsushita Electric Works-Wanbao (Guangzhou) Ltd., was inaugurated today in Guangzhou, capital of south China's Guangdong Province.

The contract signing ceremony for the establishment of the company took place here today between the two sides.

The firm is reported to be able to produce 3.5 million electric razors a year with an output value of more than 500 million yuan. It plans to export half of the razors.

Miyo Shito, president of the Matsushita Electric Works Ltd., said that it was a pleasure for his firm to cooperate with China's counterparts as China's fast economic growth has won his confidence in investing here.

To achieve the balance in foreign exchange, he said, the products of the joint venture will be sold in Japan, the United States and other European countries, as well as in China.

The amount of investment contributed by both sides for the earlier stage of the joint venture was about 167 million yuan, the term of cooperation will last 30 years, and the project is scheduled to be completed in 1995.

Beijing Issues 15 Billion Yen Bonds in Japan

OW2012140793 Beijing XINHUA Domestic Service in Chinese 1304 GMT 2 Dec 93

[By reporter Xia Lixin (1115 4539 2450)]

[Text] Tokyo, 2 Dec (XINHUA)—The Industrial and Commercial Bank of China signed a contract with Japan's Daiwa Security Company here today for issuing bonds totaling 15 billion Japanese yen.

This is the first overseas bonds issuance by the Industrial and Commercial Bank of China. The bonds, in denominations of 100,000 yen and 1 million yen and bearing an annual interest rate of 3.4 percent, will be issued on 10 December. The principal and interest will be paid back upon expiration of the five-year term.

The funds raised from the bonds will be used primarily for the development of the South China Sea Oilfield and other key projects under the Eighth Five-Year Plan.

Heilongjiang Receives Delegations From DPRK

Receives Friendship Group

SK2112060193 Harbin HEILONGJIANG RIBAO in Chinese 4 Dec 93 p 1

[By reporter Jiao Mingzhong (3542 2494 1813): "Chen Yunlin Meets With Friendship Delegation of the North Hamgyong Province in the DPRK"]

[Text] On the evening of 3 December at Huayuancun Guesthouse, Chen Yunlin, standing committee member of the Heilongjiang Provincial Party Committee and vice governor of the province, met with and feted the seven-member friendship delegation from North Hamgyong Province in the DPRK.

On behalf of the Heilongjiang Provincial Government, Chen Yunlin extended a warm welcome to Kim Chung-il, chairman of the Administrative and Economic Guidance Committee of the North Hamgyong Province in the DPRK, and his entourage for their visit to the province.

Chen Yunlin said: Since the establishment of friendly ties between Heilongjiang Province and the North Hamgyong Province in 1982, the existing friendship has been strengthened, thanks to the continuous exchanges and understanding. We hope that the two provinces will strengthen the friendly cooperation in even more spheres in the future.

Kim Chung-il said: It is the first trip to your province for most of us. With this opportunity, we will conscientiously learn from the experiences gained by your province in developing the economy and will conduct exchanges and cooperate with your province in even more aspects.

This delegation arrived in Harbin via Mudanjiang on 1 December at the invitation of the Heilongjiang Provincial Government. It will also visit Suihua and Changchun cities.

Receives Foreign Affairs Group

SK2112074793 Harbin HEILONGJIANG RIBAO in Chinese 7 Dec 93 p 1

[By reporter Jiao Mingzhong (3542 2494 1813): "Chen Yunlin Meets With a Delegation of Foreign Affairs Workers of the DPRK"]

[Text] On the evening of 6 December, at Huayuancun Guesthouse, Chen Yunlin, standing committee member of the Heilongjiang Provincial Party Committee and vice governor of the province, met with and feted the eight-member delegation of foreign affairs workers of the DPRK.

Chen Yunlin extended a warm welcome to the delegation headed by Paek Man-su, vice chairman of the Administrative and Economic Guidance Committee of the North Pyongan Province in the DPRK, and with Kim Won-ho, director of the local foreign affairs guidance bureau under the DPRK's Ministry of Foreign Affairs, as deputy head.

Chen Yunlin said: China and the DPRK are good neighbors, with a friendship cemented in blood. Heilongjiang Province has established friendly ties with many localities of the DPRK, and has conducted exchanges with them in many fields, thus playing a positive role in developing the local economy of the two sides.

Paek Man-su said: The current visit is aimed at further promoting the friendly and cooperative relations between the two sides. We hope that the friendship between the two sides will be strengthened through extensive contacts.

This delegation arrived in Heilongjiang Province after winding up its visit to Liaoning Province. The delegation will also go to visit Jilin Province.

Korean Entrepreneur Becomes Heilongjiang Adviser

SK1612044093 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 15 Dec 93

[Text] On the evening of 15 December at Huayuancun Guesthouse, Sun Weiben, secretary of the provincial party committee; and Shao Qihui, governor of the provincial government, met with Korean guests, including Chang Tok-chin, president of the Korean Continent Research Center and president of the Corporation for Overall Development of Continent.

On behalf of the provincial party committee and the provincial government, Sun Weiben expressed warm welcome to the Korean guests.

He said: Both China and Korea are pleased at cooperatively developing Sanjiang plain. I hope both sides will further expand their cooperation based on this.

Shao Qihui said: It is the first time for Heilongjiang Province to undertake such a large-scale agricultural cooperation project. This project is to develop Sanjiang plain with foreign capital. This is of great significance to the province's development and agricultural modernization.

President Chang Tok-chin revealed: The agreement on granting loans for cooperative development will be signed next year. The loans will be put in place in April next year. The project will be completed within the next three years.

At the meeting, Chang Tok-chin also accepted the letter of appointment as the economic adviser to the provincial government. He is the first foreigner to be appointed as an economic adviser to our province.

Tianjin Delegation Visits ROK Economic Officers
SK2112085293 *Tianjin TIANJIN RIBAO* in Chinese 7 Dec 93 p 1

[Text] On the noon of 7 December Zhang Lichang, mayor of Tianjin Municipality and head of the municipal government delegation, and his entourage who arrived in the ROK to attend the opening ceremony for the municipal trade fair and economic and trade talks were respectively received by Kim Yong-tae, vice minister of the ROK's Economic Planning Board; Kim Chol-su, ROK minister of trade, industry, and resources; and Ko Pyong-u, ROK minister of construction. During their receptions, both sides frankly and deeply exchanged their opinions on the expansion of ROK investment in Tianjin and on economic cooperation in various fields.

During their receptions, the three ministers (vice minister) extended warm welcome to the municipal government delegation's visit and to the municipality's trade fair and economic and trade talks in Seoul. They agreed that the municipal trade fair was very successful and expressed that they would provide all-out support for the municipal delegation's exhibition activities in Seoul. They said: Tianjin is an important region where the ROK has invested its money. Through the municipal activities of inviting business in Seoul, more Korean entrepreneurs will invest their money in Tianjin.

During their receptions, Zhang Lichang thanked the ROK Government for the assistance provided for the municipal trade fair. He said: ROK-funded enterprises in Tianjin have achieved smooth development and will soon score satisfactory results. Looking ahead, Tianjin will offer even closer cooperation and efforts with the ROK and will certainly create high-speed progress and high economic results.

Southeast Asia & Pacific

Qian Qichen Receives Cambodian Prime Minister
OW2012131093 *Beijing XINHUA* in English 1240
GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with Prince Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, and his wife at the state guesthouse here this evening.

Ranariddh and his wife came here yesterday to visit King Norodom Sihanouk who has been under treatment in a local hospital. They will leave here for home tomorrow.

Wu Xueqian-Led Delegation Visits Thai Princess
OW1612144793 *Beijing XINHUA Domestic Service in Chinese* 1339 GMT 14 Dec 93

[By reporter Wang Weijun (3769 5898 6511)]

[Text] Bangkok, 14 Dec (XINHUA)—Thai Princess Sirithon met with Wu Xueqian, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, and his delegation at the Chitralada Palace in downtown Bangkok this afternoon. The delegation is currently on a visit here. The two sides held cordial and friendly talks.

Princess Sirithon is a frequent visitor to China. She disclosed her plan to visit China again in early 1994, with a view to learning about and obtaining a thorough understanding of China's culture and history.

Wu Xueqian thanked the princess for receiving him and warmly welcomed her to visit China again.

This afternoon, Wu Xueqian and his delegation also called on Princess Kanlayaniwathana at the Ledi [name as received] Palace.

Leaves Bangkok for Home

OW1912132793 Beijing XINHUA Domestic Service in Chinese 1521 GMT 18 Dec 93

[By reporter Wang Weijun (3769 5898 6511)]

[Text] Bangkok, 18 Dec (XINHUA)—Wu Xueqian, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, and his delegation left here this morning for home after an eight-day goodwill visit to Thailand.

Thai Senate Speaker Michai Ruchuphan, and Yan Tingtai, charge d'affaires ad interim at the Chinese Embassy in Thailand, saw them off at the airport.

Construction Bank Opens Office in Singapore

HK2112054493 Beijing CHINA DAILY in English 21 Dec 93 p 2

[By staff reporter Zhang Yuan: "Chinese Bank Opens Office in Singapore"]

[Text] The People's Construction Bank of China set up an office in Singapore yesterday, signalling its move into the Southeast Asian money market.

The Singapore office is the fifth overseas branch the bank has launched. The others are in London, Tokyo, Seoul and Hong Kong.

The People's Construction Bank said that it will continue to open offices abroad, although it did not specify where.

However, it said that some offices may be upgraded to branch banks.

With a history of 39 years, the People's Construction Bank is a State-owned bank specializing in extending long-and medium-term credit, especially for capital construction. It is entrusted by the central government to manage State investment which amounts to billions of yuan annually.

Since its establishment in 1954 the bank has handled fixed assets investment totalling more than 2,000 billion yuan (\$344.8 billion). By the end of last year, its total assets reached 920 billion yuan (\$158.6 billion).

It has developed ties with several hundreds of overseas banks according to bank officials.

In recent years, the bank has also developed close ties with Singapore financial institutions and launched several projects with them.

The Singapore office will not only further financial co-operation between the bank and its Singapore counterparts but also promote trade between the two countries, officials said.

The bank is also willing to cooperate with foreign investors in China, officials said.

Construction Begins on Singapore Site in Wuxi

OW2012105793 Beijing XINHUA in English 0957
GMT 20 Dec 93

[Text] Nanjing, December 20 (XINHUA)—Wuxi City in east China's Jiangsu Province has started construction on a Singapore industrial park.

Located in the Wuxi Economic and Technological Development Zone, the park was jointly funded by the Wuxi City Government and the Singapore Economic Development Bureau. The site will occupy 10 square kilometers.

The first phase of construction will be undertaken on an area of one square kilometer with an investment of 120 million U.S. dollars.

The park will house high-technology enterprises engaged in manufacturing facilities for medical and educational services, commerce and telecommunications.

Situated along the middle reaches of the Chang Jiang River Delta, Wuxi is known for its developed export-oriented economy.

This year the city approved 1,226 foreign-funded enterprises with a contracted foreign investment of 1.158 billion U.S. dollars.

Delegates Attend Western Samoa Project Ceremony

OW1912115393 Beijing XINHUA in English 1110
GMT 19 Dec 93

[Text] Wellington, December 19 (XINHUA)—A China-funded office building has been handed over to the Western Samoan Government after over three years' construction.

Attending the key-handing ceremony were Western Samoan Head of State Malietoa, Prime Minister Tofilau, ministers and other senior government officials.

Addressing the ceremony held Saturday [18 December] (Samoan time), Tofilau thanked the Chinese Government and people for their sincere assistance to the small island nation in the South Pacific, hoping for further development of the relations between the two countries.

Also present at the ceremony were a five-member Chinese official delegation, more than 600 Chinese technicians and construction workers involving in the project as well as diplomatic envoys of other countries in Samoa and representatives of United Nations institutions in that country.

The agreement for the project with an aid totaling 50-million Chinese renminbi (about 9 million U.S. dollars) from China was reached between the two countries during Prime Minister Tofilau's visit to Beijing in October 1989.

Sub-Saharan Africa**Trade Volume With Kenya Increases 'Remarkably'**

OW1812100393 Beijing XINHUA in English 0803
GMT 18 Dec 93

[Text] Nairobi, December 18 (XINHUA)—The trade volume between China and Kenya increased remarkably in the first nine months this year over the same period last year, reaching 30 million U.S. dollars.

Addressing guests at a party here to mark the 30th anniversary of establishing diplomatic relations between the two countries, Chinese Ambassador to Kenya Chen Pingchu Friday [17 December] hailed the cooperation between China and Kenya in the economic, political and many other fields.

The Chinese ambassador emphasized that China is willing to participate in the development of small-scale projects by offering technical and managerial expertise so as to promote south-south cooperation.

Meanwhile, Kenyan Minister for Tourism and Wildlife Noah Katana Ngala, on behalf of the Kenyan Government, spoke highly of the friendship and cooperation between Kenya and China, saying that China has been a true partner of Kenya.

Government Donates Aid to Mozambique

OW1512020693 Beijing XINHUA Domestic Service in Chinese 1633 GMT 7 Dec 93

[Text] Maputo, 7 Dec (XINHUA)—On behalf of the Chinese Government, Chinese Ambassador Mi Shiheng today presented a batch of materials for daily use worth 5 million yuan renminbi to the Mozambican Government.

At a ceremony for handing over the materials, Vice Trade Minister (Menggewanbei) thanked the Chinese Government and people on behalf of his government and people. He said: The selfless assistance given by the Chinese Government and people is very important for Mozambique to achieve peace and rebuild homes.

The Chinese Government decided to provide aid to Mozambique during Mozambican Prime Minister Machungo's visit to China in May. The donated materials include clothing, shoes, emergency lamps, and stationery.

Envoy to Nigeria Urges Increased Exports

OW1812194293 Beijing XINHUA in English 1832
GMT 18 Dec 93

[Text] Lagos, December 18 (XINHUA)—Chinese Ambassador to Nigeria Hu Lipeng has called on Nigerian businessmen to invest more in their exports to China to boost trade between the two countries.

Speaking at an end-of-year dinner here organized by the Nigerian-Chinese Chamber of Commerce on Friday [17 December] evening, Hu said that an increase in the volume of trade between the two countries would improve their political and economic relations.

He said that cooperation between the two populous developing countries had been pledged in the pact of the South-South cooperation.

Although China had recorded a trade deficit by October, this year, it was still willing to encourage more importation from Nigeria.

The Chinese ambassador urged Nigerian farmers to produce more commodities and export them to China because China was ready to do real business with the Nigerian people.

Elvis Emecheta, chairman of the chamber, said at the dinner that the business climate in Nigeria would be more stable in the coming year.

He said that contracts had been made with the Chinese Government, the Bank of China and other institutes and the response was encouraging.

Emecheta urged members of the chamber to explore mutually-beneficial business relationship with China and play a significant role in promoting trade relations with it.

Government Delivers Commodities to Zambia

OW1712175293 Beijing XINHUA in English 1739
GMT 17 Dec 93

[Text] Lusaka, December 17 (XINHUA)—The Chinese Government today supplied a batch of commodities worth 1.75 million U.S. dollars to the Zambian Government under a contract signed in March this year.

The commodities include 38,400 pieces of woolen blankets and 38,400 pieces of bed-sheets, which will be sent to various government hospitals in the country.

Speaking at a hand-over ceremony here today, Chinese Ambassador to Zambia Yang Zengye said China will continue to offer support and assistance to Zambia for the development of the southern African country.

The supply of the commodities was implemented under a loan agreement signed between the two governments on August 7, 1991.

China has assisted Zambia with over 60 development projects since 1967.

West Europe

Spokesman Calls BBC Show on Mao 'Degeneration'

OW2112105493 Tokyo KYODO in English 1035 GMT
21 Dec 93

[Text] Beijing, Dec. 21 KYODO—China's Foreign Ministry on Tuesday [21 December] harshly criticized the British Broadcasting Corp.'s [BBC] decision to broadcast a documentary depicting the late revolutionary leader Mao Zedong's alleged sexual appetite for beautiful young girls.

"The documentary which the BBC insisted on broadcasting has hurt the emotions of the Chinese people and disclosed a degeneration of the corporation's press morality," a Foreign Ministry spokesman said.

"The BBC must bear the responsibility for all consequences resulting from this action," he said.

The documentary, shown in Britain on Monday, carried a segment involving Chinese Physician Li Zhisui who said Mao had an appetite for young women. BBC says Li was Mao's personal physician.

"Mao's taste for women was like his eating habits. When he liked a vegetable he'd have a lot of it. When he got bored, he'd have another," Li said in the documentary.

Li, who now lives in the United States, is reportedly writing a book tentatively titled *My Life With Chairman Mao*, to be published by Random House next year.

Rumors of Mao's voracious appetite for sex have circulated in Beijing following the publication of several books last year concerning the four marriages of the great helmsman and the several nurses who "cared for him" in his later life.

Meanwhile, China's strictly controlled state press and Propaganda Ministry have been engaged in a large-scale campaign praising Mao, who's 100th birthday falls on Sunday.

UK Firm To Help Manage Currency Exchanges

HK1912075893 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Dec 93 p 1

[By Xiao Yong: "London Currency Firm To Help Protect RMB"]

[Text] The London-based Gaiacorp, a big name in international currency management, plans to help China hedge its renminbi against the potential risks of fluctuation.

China has announced it will unify its official and swap market exchange rates early next year, a decisive step towards making the renminbi a freely traded currency on world markets.

But poor management of the renminbi could lead to constant devaluation and other risks, especially when a new—and possibly fragile—uniform rate is in place.

Gaiacorp plans to help China protect the value of its export earnings and minimize the cost of imports through skillful management of its currency exposure.

Gaiacorp now handles daily transactions of floated currencies worth between \$1 billion to \$2 billion.

The company is famous for being able to predict future trends of about 20 types of international currencies.

Earlier this month, the company opened its first representative office in Beijing.

David Cobbold managing director of the company, said China is the best potential haven for currency management in coming years as economies in the United States, Japan and Europe are stuck in an extended and deep recession.

"The world's economic pendulum is swinging towards Asia—and towards China in particular," he said.

"China may have stepped off the world stage 500 years ago to give economic prominence first to Europe and then to the United States, but there can be little doubt that the next century belongs, once again, to China."

"China will need massive inflows of capital to finance the enormous growth that is anticipated. To attract capital it is vitaly important to maintain a strong, stable and freely-traded currency," he said.

He said Gaiacorp would help bring in international funds for China's economic development, as well as help Chinese institutions and companies invest in overseas markets.

"When the renminbi becomes freely convertible, it's likely we will bring it into our international currency trading network," Cobbold told Business Weekly.

Despite optimism about the Chinese economic boom, Cobbold warned China of "running too fast and allowing the economy to overheat and inflation to take root."

"One of the most challenging tasks for the Chinese Government and the central bank will be managing the supply of money in the economy," he continued.

Top Chinese officials have admitted the money supply would increase next year, which could cause an inflationary spiral.

Against this background, consulting with international big-name currency fund management companies would be helpful.

Cobbold added his company is just on the verge of starting its operations in China.

Political & Social

NPC Standing Committee Meeting Continues

Qiao Shi Chairs Meeting

OW2112024793 Beijing XINHUA Domestic Service in Chinese 0630 GMT 20 Dec 93

[Text] Beijing, 20 Dec (XINHUA)—The Fifth Meeting of the Eighth National People's Congress [NPC] Standing Committee opened at the Great Hall of the People this morning.

Qiao Shi, chairman of the NPC Standing Committee, presided over the meeting.

The 128 members of the NPC Standing Committee attending the meeting first adopted an agenda for it. Xue Ju, chairman of the NPC Law Committee, and Cai Cheng, Xiang Chunyi, and Li Yining, vice chairmen of the same committee, made reports on the initial examination and revision by the committee of the draft corporation law, the draft amendment to the accountants law, the draft budget law, and the draft securities law.

Premier Li Peng of the State Council submitted five bills to the NPC Standing Committee for examination and approval by the meeting. They are: the draft interim regulations on levying a value-added tax, consumption tax, and business tax on foreign-funded and foreign enterprises; the draft foreign trade law; the draft law on the protection of investment by Taiwan compatriots; the draft law on natal and health care; and the draft decision on our country's accession to the 1989 International Rescue Convention. At the meeting this morning, Vice Finance Minister Xiang Huacheng; Wu Yi, minister of foreign trade and economic cooperation; Public Health Minister Chen Minzhang, and Vice Communications Minister Zheng Guangdi gave explanations on the five bills, respectively.

The Legal Affairs Commission of the NPC Standing Committee drafted supplementary provisions for the severe punishment of criminals who organize and smuggle others across the borders of the country. Gu Angran, chairman of the Legal Affairs Commission, gave explanations of the supplementary provisions.

Jiang Zemin, chairman of the Central Military Commission, submitted a draft decision for examination and approval to the NPC Standing Committee on relevant issues concerning the right of Army security departments to conduct investigations in criminal cases. Entrusted by the Central Military Commission, Yu Yongbo, director of the General Political Department, gave explanations of the draft decision.

At today's meeting, a draft decision on the convening of the Second Session of the Eighth NPC was distributed to those in attendance for examination and approval.

Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, and Li Peiyao, vice chairmen of the NPC Standing Committee; and Cao Zhi, secretary general of the NPC Standing Committee, attended the meeting.

Present as observers were Chi Haotian, State Councillor; Ren Jianxin, president of the Supreme People's Court; and Zhang Siquing, procurator general of the Supreme People's Procuratorate.

Health Minister on Eugenics Law

OW2112032793 Beijing XINHUA Domestic Service in Chinese 0731 GMT 20 Dec 93

[Excerpts] Beijing, 20 Dec (XINHUA)—Premier Li Peng submitted five bills to the Fifth Meeting of the Eighth National People's Congress [NPC] Standing Committee, which opened today, for deliberation by the Standing Committee.

The five motions are: the draft interim regulations on levying a value-added tax, consumption tax, and business tax on foreign-funded and foreign enterprises; the draft foreign trade law; the draft law on the protection of investment by Taiwan compatriots; the draft law on eugenics and health care; and the draft decision on China's accession to the 1989 International Rescue Convention. [passage omitted]

Explaining the draft law on eugenics and health protection, Minister of Public Health Chen Minzhang said: Since the founding of the PRC, we have done a great deal in publicizing to the people and educating them on eugenics and health protection, and we have pioneered a number of measures for better quality births. However, due to the lack of legal protection for eugenics and health protection work, as well as economic backwardness and the lingering influence of outdated thinking, abnormal births are still rather prevalent in China. According to statistics, of the five categories of handicapped people in the country, more than 10 million are disabled at birth, constituting 9.9 per 1,000 of the population; among them, 4.17 million are children under 14. There are 10.17 million mentally retarded patients nationwide, about 10 per 1,000 of the population; of the children under 14, about 4 million have low IQ's, accounting for 10.7 per 1,000 of the children of that age group. Each year about 300,000 to 460,000 children are born disabled because of hereditary diseases (only those with visible defects), or 13 to 20 per 1,000 of new births. The mortality rate for perinatal births is 26.17 per 1,000; of this, one-fifth of the deaths are caused by hereditary diseases.

Chen Minzhang said: Births of inferior quality are especially serious among the old revolutionary base, ethnic minorities, the frontier, and economically poor areas. In some villages, no competent people can be found to work as accountants or cadres or can be recruited by the Army

because of long-term isolation, backward production, consanguineous marriages, and excessive births. The cost of nursing, caring, and providing medical treatment and other services for the 400,000 births with hereditary handicaps each year is enormous. Because China will experience the third population birth peak during the Eighth Five-Year Plan period, births of a large number of people with mental retardation or hereditary diseases will inevitably impose additional burdens on the state and bring misfortune to tens of millions of families. In addition, a sample survey shows that most of the couples who apply to have a second child do so because their first child is born handicapped or with hereditary diseases. If this situation continues for a long time, the quality of the Chinese population is bound to deteriorate markedly.

Chen Minzhang said: The state of inferior-quality births has aroused grave concern in the whole society, and their latent effects have alarmed and worried the people in various circles. Currently, the broad masses of the people demand that a eugenics law be enacted and effective measures be taken to reduce inferior-quality births as quickly as possible. The previous sessions of the NPC and the Chinese People's Political Consultative Conference National Committee made motions, proposals, and suggestions for expediting legislation on eugenics. Therefore, it is necessary to formulate as soon as possible a law on eugenics and health protection, and to ensure better-quality births and to control and reduce inferior-quality births. [passage omitted]

Further on Eugenics Law

*OW2012114093 Beijing XINHUA in English 1114
GMT 20 Dec 93*

[Text] Beijing, December 20 (XINHUA)—China is to use legal means to avoid new births of inferior quality and heighten the standards of the whole population.

The measures include deferring the date of marriage, terminating pregnancies and sterilization, according to a draft law on eugenics and health protection, which was presented to the current session of the Eighth National People's Congress (NPC) Standing Committee.

Explaining the law to participants at an NPC session that opened here today, Minister of Public Health Chen Minzhang said that the measures will help prevent infections and hereditary diseases and protect the health of mothers and children.

Under the draft law, those having such ailments as hepatitis, venereal disease or mental illness, which can be passed on through birth, will be banned from marrying while carrying the disease.

Pregnant women who have been diagnosed as having certain infectious diseases or an abnormal fetus will be advised to halt the pregnancy. Couples in the category should have themselves sterilized, the draft says.

China is in urgent need of adopting such a law to put a stop to the prevalence of abnormal births, Minister Chen

explained. Statistics show that China now has more than 10 million disabled persons who could have been prevented through better controls.

The draft also stipulates that organizations that are engaged in pre-marital checks, eugenics, pre-birth diagnosis or sterilizations should be approved by the authorities at the county level and above.

Personnel involved in this area should be subjected to strict training, Chen said.

The minister of public health called on medical authorities at various levels to establish a comprehensive network for the implementation of the law.

The draft does not state whether China will adopt euthanasia to eliminate congenitally abnormal children, saying that the international community has not come to a conclusion on that issue.

The draft also does not touch on the issues of artificial fertilization or test-tube babies because the effects of these techniques have caused some disputes and because it's too early to put any limitations into law, Chen said.

Minister Chen said the government should strengthen its control and supervision of these techniques. He called for the Ministry of Public Health to work out tentative management measures of control.

Law Drafted on Illegal Emigration

*OW2012133793 Beijing XINHUA in English 1312
GMT 20 Dec 93*

[Text] Beijing, December 20 (XINHUA)—China will severely crack down on criminals who organize illegal emigration, with punishments as severe as the death penalty.

The original maximum penalty for this kind of crime was five years' imprisonment.

Gu Angran, director of the Commission for Legislative Affairs of the National People's Congress (NPC) Standing Committee, said illegal emigration has been increasing from China's southeast coast in recent years.

He was addressing the current session of the Eighth NPC Standing Committee on a draft bill to curtail illegal emigration.

Under the regulation, the organizers of illegal emigration will be sentenced to two to seven years in prison, except in serious cases and cases which involve accidental serious injury or deaths of emigrants, when life imprisonment will be applicable.

The death penalty will be applicable to those who kill, injure or rape emigrants, or those who resist investigators with violence.

The draft also provides serious penalties for those units which organize illegal emigration in the name of labor export, or economic or trade exchanges.

Illegal emigrants will be detained and fined, Gu said, because they are offenders as well as victims.

NPC To Hold Second Plenary Session 10 Mar 1994

HK2112051793 Hong Kong SOUTH CHINA MORNING POST in English 21 Dec 93 p 1

[By Chris Yeung]

[Text] China plans to hold the second plenary session of the National People's Congress (NPC) on March 10 to endorse a detailed government work plan for the first year of a bold economic blueprint passed by the ruling party.

The annual plenum is also set to endorse a moderate national target of economic growth, possibly between nine and 10 per cent as signs loom that inflationary pressure has been building up since last month.

Despite reports that Prime Minister Li Peng might step down at the March plenum, sources point out that Mr Li has adopted a more active role in national affairs recently - a sign that he may not be ready to give up his leadership.

Speculation was rife that Mr Li, who suffered a heart attack in April and had virtually taken a back seat in the State Council, might be replaced by Executive Vice Premier Zhu Rongji.

After returning to normal work in the State Council about two months ago, Mr Li delivered a key speech at the watershed Communist Party Central Committee third plenum in mid-November.

A source said: "Li Peng has clearly got the upper hand. But anything can happen in the next 90 days." But it is almost certain the 2,900-plus delegates will have to name a new head of the People's Bank of China to succeed Mr Zhu, who was asked to tackle the banking crisis last summer. A vice-governor of the bank, Dai Shanglong, is tipped to get the post.

The Chinese People's Political Consultative Conference, China's main body, would convene its second plenum on March 8.

The two major conferences are scheduled to be held five days earlier than this year's Plenums.

Li Lanqing Inspects Fujian Province 25-28 Nov

OW1812122193 Beijing XINHUA Domestic Service in Chinese 0929 GMT 29 Nov 93

[By XINHUA reporter Wang Weizhong (3769 3555 0022) and FUJIAN RIBAO reporter Liu Zhicheng (0491 1807 2052)]

[Text] Xiamen, 29 Nov (XINHUA)—During his inspection tour of Fujian, Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council, stressed that it was necessary to swiftly investigate and deal with major smuggling cases according to the law and to resolutely crack down on criminal elements involving in smuggling, in order to ensure that the "Decision" of the Third Plenary Session of the 14th CPC Central Committee is truly carried out and to ensure that our reform, opening up, and economic construction develop smoothly and healthily.

Li Lanqing, accompanied by Fujian Governor Jia Qinglin, inspected Fujian Province 25-28 November.

Li Lanqing heard reports on economic work and fighting smuggling separately prepared by Governor Jia Qinglin, Vice Governor Zhang Jiakun, and leaders of the Fuzhou Customs, the Xiamen Customs, Xiamen City, Quanzhou City, and Shishi City. He also called on contraband prevention personnel working on the forefront. Li Lanqing said: Fujian has achieved encouraging results in making reforms and in opening to the outside world; its economy has developed rapidly; it has effectively carried out the central authorities' macro regulation and control measures; and its exports have ranked among the highest of the country—Fujian has a bright prospect. Following the national antimuggling meeting, the Fujian Provincial CPC Committee and Government have earnestly carried out the meeting's guidelines, have taken effective measures to clamp down on smuggling, and noticeable results have been achieved. Li Lanqing pointed out: Following the efforts made over the last three months and more, all provinces and autonomous regions have dealt a forceful blow at criminal smuggling rings. We should keep up the good work and try to achieve phased [jie duan xing 7132 3008 1840] results within a relatively short period in the struggle against smuggling. The main characteristics of phased antimuggling results should be: First, we should take resolute and effective measures to check the arrogance of smuggling and selling of smuggled goods; in particular, we should decisively stem the trend of smuggling large numbers of automobiles, cigarettes, home electrical appliances, cultural relics, and drugs. We should sternly deal with major and serious smuggling cases. All major and serious smuggling cases must be thoroughly investigated and those sentenced to imprisonment must serve their jail terms—their prison terms must not be replaced by fines. Second, we should further unify and enhance our ideological understanding; leaders at all levels should especially do so. Smuggling in the past was usually conducted by individuals or small criminal rings. But recently some institutions and enterprises have engaged in smuggling; this in part is because a small number of grass-roots leaders have not straightened out their thinking or have winked at or even taken part in smuggling. Facts show that smuggling eventually will make cadres suffer, will encroach on the masses' benefits, will deteriorate our investment climate, and will adversely affect local economic development. The current antimuggling struggle

not only is an economic struggle, but also is a serious political struggle; it is a problem that affects the overall situation and that has a direct impact on whether or not our reform and opening up will develop smoothly and healthily. Leaders at all levels should fully understand this point. Third, we should establish responsibility systems at various levels. Antismuggling is an arduous and long-term task. The central authorities's concern alone is not enough; responsibility systems should be established at the provincial, city, county, township, and town levels, and should be truly implemented organizationally and in terms of carrying out defined tasks. Antismuggling organs of governments at all levels should assist local leaders to properly coordinate, provide guidance for, and supervise local antismuggling work. Fourth, we should continue to take comprehensive measures to fight smuggling; we should adopt legal, administrative, economic, and disciplinary measures to deal with smuggling. All localities and departments should give primary consideration to the state's overall interests; they should closely cooperate with each other to resolutely carry out the antismuggling policy of "seizing on the sea, stopping up loopholes on the shore, checking at ports, tightening control of markets, and sternly punishing smugglers," and should work hand in hand in clamping down on smuggling. Not only should we crack down on smuggling carried on by means of "steelships" and "airships," we should also strengthen control of shipbuilding and operations to stop smuggling from the sources. Li Lanqing particularly emphasized: We must speedily investigate and prosecute major smuggling cases in accordance with the law. In investigating and prosecuting major smuggling cases, we must not stop at the smuggling activities or mete out fines instead of punishments. Some of these cases, which are often not simply cases of smuggling but are related to embezzlement and corruption, should be looked into deeper. Thus, in areas where the problem of smuggling is more serious, our fight against smuggling must be integrated with our struggle against corruption. In short, we must not try to cover up major smuggling cases by turning big cases into small cases and small cases into no case at all. We must seize them and speedily investigate and prosecute them. In addition, we must publicly "expose" typical cases in newspapers and radio and television to educate the cadres and masses and frighten smuggling criminals.

During his tour of Fujian, Li Lanqing also inspected the Fujian Teachers University, Xiamen University, Jimen School Village, the Fujian University-Affiliated Primary School, the Fuzhou Tourism Vocational School, and Lunshan Primary School, where he visited vast numbers of teachers and students and held cordial conversations with school authorities, teachers, and experts. He said: Teaching is a lofty profession and is respected by society as a whole. Competent personnel hold the key to revitalizing China, and competent personnel can only be brought up through education. He pointed out: Under the circumstances when the country as a whole has not reached a comfortable standard of living and we still face budgetary constraints, how to make education in the

world's largest country more successful in terms of social effect is a prominent reform task. He stressed: We must adjust our education structure. Currently, our junior middle schools can only accommodate one-third of the primary school enrollments, and our colleges in turn can accommodate only one-third of secondary school enrollments. As a result, most secondary school graduates cannot attend college. In light of this, we must vigorously develop vocational education to train more practical personnel to meet society's needs for different types of talents at different levels. Some of the vocational school graduates may pursue advanced study and become junior or senior experts after being trained in practical work. In the countryside, particularly in underdeveloped areas, elements of vocational education should be increased in elementary education. We must train a generation of young peasants with special skills through education to contribute to integrating agriculture with science, eliminating poverty and becoming prosperous, and modernizing agriculture. Li Lanqing fully affirmed the practice of the Fujian Teachers University-Affiliated Middle School, which pays more attention to moral and behavior-forming education. He said: We must strengthen education in socialism, patriotism, and collectivism. We must make promoting Chinese traditional virtues, ethics, and morality an important element of our moral and behavior-forming education.

Li Lanqing emphatically pointed out: Higher education should further raise educational qualities and social effects. We must not seek to increase the number of institutions of higher learning in a one-sided way. We should accelerate the pace of school reform. He affirmed the exploratory efforts of Fuzhou University in reform and approved of the way Xiamen University joined hands with the local people in running schools, and the way several colleges in the Jimei School Village pooled their resources to operate schools. The joining of forces in running schools not only arouses the initiatives of all quarters, but it can also make teachers, libraries, reference materials, equipment, and school buildings available to others, thereby maximizing the effects of schools. This experiment should be conducted at selected areas and popularized to other areas step by step. Adult education—through such venues as radio, television, and correspondence schools—has played an important part. However, we must guard against adopting old, self-enclosed approaches in this regard. Li Lanqing also discussed with provincial and city leaders ways to help teachers resolve housing problems, the need to change the situation in which locally run schools are behind in payment to teachers, and ways to overcome other practical difficulties.

Li Lanqing also discussed with provincial and city leaders ways to enliven state-owned foreign trade enterprises, revitalize urban and rural circulation, and develop chain stores. He affirmed Fujian's exploratory but beneficial efforts in this regard. He also visited the second commodity trade fair of foreign-invested enterprises and met with public figures from abroad attending the trade fair.

Zou Jiahua Attends Closing of Planning Forum

OW2012193493 Beijing XINHUA Domestic Service in Chinese 0948 GMT 8 Dec 93

[By RENMIN RIBAO reporter Fei Weiwei (6316 0251 0251) and XINHUA reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 8 Dec (XINHUA)—The national planning conference concluded in Beijing today. Vice Premier Zou Jiahua attended the conference and had discussions with principal responsible comrades from the governments of various provinces, autonomous regions, municipalities directly under the central government, and cities with independent economic decision-making power.

Zou Jiahua stated: We should stress several tasks in next year's economic planning in accordance with the arrangements made by the national economic work conference. We should devote greater efforts to accelerating reform, ensuring the smooth implementation of several centrally instituted major reform plans, and promoting the sustained, rapid, and healthy development [chi xu kuai su jian kang fa zhan 2170 4958 1816 6643 0256 1660 4099 1455] of the national economy. We should conscientiously strengthen the status of agriculture as the foundation of the national economy, increase peasants' income, and actively coordinate our efforts to improve state-owned large and medium enterprises. We should strictly control the total amount of investment in fixed assets, rigorously adjust the investment structure, and improve investment returns. We should actively develop urban and rural markets in accordance with market demand, pay close attention to commodity prices, and maintain price increases within the bounds of macroeconomic regulation and control. We should do planning work in a pioneering spirit and give full scope to the role of planning in macroeconomic regulation and control in keeping with the new situation of completely expediting the drive toward establishing a socialist market economic system.

As the main items on its agenda, the national planning conference called for fully implementing the national economic work conference's arrangements, discussed ways to implement the 1994 national economic and social development plan, and conducted in-depth studies on the issues of accelerating reform of the planning and investment systems and of actively but prudently promoting reform of the pricing structure.

In accordance with the guidelines of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee, the State Planning Commission set forth "Some Opinions on Deepening Reform of the Planning System" and "Opinions on Reform of the Investment and Financing Systems" on the basis of extensive investigations and studies over the past six months. It listened carefully to conferees' opinions, modified them, and proposed specific plans for reforming the planning and investment systems.

The major measures for deepening reform of the planning system over the near term include further changing planning-based administrative functions; actively employing the important means of planning in macroeconomic regulation and control; defining corresponding goals, tasks, means, systems, and methods; and instituting a planning system based primarily on long- and medium-term plans in accordance with the demand of developing a market economy. They also include coordinating economic policies on the basis of studying and formulating state industrial policies; further scaling back mandatory planning for production and distribution with the exception of a handful of essential mandatory plans; and establishing a sound state system for ordering, storing, and supplying goods. In 1994, the number of products subject to mandatory industrial planning by the State Planning Commission will continue to decrease, and the output value of such products will decline from the current 6.8 percent to some 4 percent of the nation's total industrial output value. The measures also include vigorously establishing a market system; guiding, regulating, and controlling market operations; making the development of a market system an important planning function during the process of establishing a new system; changing the conventional national income accounting system; promoting a new national economic accounting system; improving the system of collecting, analyzing, and distributing information on the national economy; refining the macroeconomic monitoring and warning system; giving full rein to the important role of information in planning; and instituting the system of coordinating planning vertically and laterally.

The general goals for reforming the investment and financing systems include reforming investment and financing modes; giving full play to the regulatory role of market forces in investment and financing activities; instituting investment risk control mechanisms; establishing the status of enterprises as fundamental and principal investment entities with independent policy-making and risk-taking; improving the indirect system of regulation and control over total investment volume and the investment structure in keeping with the socialist market economic system; exercising timely, effective, and flexible regulation and control; establishing a service system pertaining to investment activities and markets in production factors; and creating mechanisms for fair competition under the legal system.

Propaganda Chief on Control Over Publishing

HK171210593 Hong Kong CHENG MING in Chinese No 194, 1 Dec 93 pp 32-34

[Article by Shu Si (5289 1835): "Loss of Control Over the Publishing Industry Causes Headache for Higher Echelons of CPC Leadership"]

[Text] The loss of control over the publishing industry is causing many headaches for the higher echelons of CPC leadership. In view of the deteriorating situation, departments concerned are urged to pay greater attention to the

"political quality" of social science publications, attach equal importance to the campaigns against the "tide of bourgeois liberalization" and "tide of pornography" (also referred to as "the two tides"), and put party organizations in control of business operations of publishing organs.

From Pornography to Publications Which Violate Political Taboos

Since 1992, an increasing number of mainland news and publishing departments have been swept off their feet by the tide of commercialism and joined the lucrative pornographic publication business claiming that they are "acting in accordance with economic laws."

Out of considerations for making money while being able to shirk responsibility when charged, many publishing organs have resorted to selling "International Standard Book Numbers" (ISBNs) [shu hao 2579 5714] to private publishers at high prices. Large government-run publishing houses can fetch a good price for their "ISBNs" because of their reputation. A leading Beijing publisher became the envy of many "nobodies" in the publishing industry when it sold an "ISBN" for a record 200,000 yuan.

Since this problem first came to their attention, CPC propaganda departments and news and publication management departments have issued repeated orders to prohibit the illegal sale of "ISBNs." However, many publishing organs have ignored these warnings.

Thanks to the successive promulgation of relevant policies and regulations, and thanks to the cooperation of public security departments, many pornographic publications were closed down and banned in antipornography raids. Meanwhile, local authorities also seriously dealt with the spread of pornography put out by publishing organs or by private operators who published with the assistance of these publishing organs. Punishment ranging from confiscation of proceeds and heavy fines to imprisonment of the principal responsible persons were meted out. This halted the unchecked spread of pornography to a large extent, and few dared to continue to challenge the law.

However, what followed turned out to be much more worrisome for the higher echelons of the CPC. While publishing organs no longer dared to rely on pornography to boost revenue, they began to see publications which violate political taboos as great money spinners.

Ding Guangen Repeatedly Emphasized That in Opposing "the Two Tides," Neither Tide Can Be Ignored

In the face of the runaway situation of the loss of control over the publishing industry, Ding Guangen, who is in charge of ideological matters within the CPC, repeatedly instructed the Central Propaganda Department and news and publication management departments to attach equal importance to the campaigns against the

"tide of bourgeois liberalization" and the "tide of pornography" in the course of "stressing socialist cultural and ideological progress." Recently, copies of a speech given by Ding Guangen and intended for internal circulation only were distributed to CPC propaganda departments and news and publication management departments at and above the provincial level. This speech, which was based on the report of an investigation by the Central Propaganda Department on the resurgence of "bourgeois liberalization" in the publishing industry, emphasized in particular that in opposing "the two tides," neither tide can be ignored.

"Selling ISBNs Is Tantamount to Selling the Interests of the Party"

Ding Guangen said: Seen from the state of confusion which prevailed over the publishing industry over the past year, long-established publishing houses, particularly those at the state and provincial levels, were selling ISBNs to private publishers in violation of state regulations not because they had no other options. They took the wrong option of thinking that although it was not right to give the green light to the publication of pornography, there was nothing wrong with giving the go-ahead to social science books meant for the "emancipation of the mind." Thus, books with problematic political views were able to find their way to the market through book dealers without going through the necessary examination and approval. Publication management departments could not hold book dealers responsible after the problems had come to their attention because the books all bore official ISBNs and could not be called illegal publications.

Ding Guangen said: Have these comrades ever considered how the circulation of books with problematic political viewpoints could adversely affect our party's cause? It was precisely because people's minds, particularly the minds of young students, had been confused by the unchecked spread of articles and publications which have serious political problems before 1989 that brought about one political upheaval after another until the situation turned chaotic in 1989. Was this painful experience not profound enough for us?

Guard Against People Who "Wave Red Flags To Oppose the Red Flag"

Ding Guangen said: Recently we notice that opposition political factions are becoming increasingly smarter in their publicity of "bourgeois liberal" views and negation of "the four cardinal principles." Their new tactic may be summed up as "waving the banner of supporting the Communist Party to oppose the Communist Party" and "abstractly affirming while concretely negating" the Communist Party and its cause of socialist construction. Can we remember how some people with ulterior motives openly advocated using the anticorruption slogans of the Communist Party to oppose the Communist Party during the political upheavals in 1989? It was Comrade Xiaoping who saw through this conspiracy

before it was too late. Now these people are again using Comrade Xiaoping's call to guard against "leftism" in their attack against our party. This is done on the pretext of helping our party sum up its past experience in order to prevent the recurrence of "leftist" mistakes. Already quite a number of books that give a lopsided representation of CPC history have been published. In the name of opposing "leftism," these books speak of our party as a party without any redeeming features and describe the 70-year history of the Communist Party as a "leftist history." Can our comrades in the publishing industry not tell whether the authors of these books were really trying to help the Communist Party or were slinging mud at it? In any single one of these books of several hundred thousand characters, 99.9 percent will be devoted to criticizing the past mistakes of the CPC, with remarks like "supporting reform" and "sharing the anxieties of the party" casually thrown in at the very end. This is a typical example of "abstract affirmation and concrete negation." If the ruling party is really no good, why do you still support it? Thus, we can see that these remarks were merely there for show and did not come from the bottom of their author's heart. They were intended for the publication examination departments. In the course of screening out pornographic publications, we also discovered many nude albums and pictures which peddled sex and sensual pleasures under the label of "human figure art." This is no different from the way "bourgeois liberals" claimed that they were "supporting reform" and "sharing the anxieties of the party" in their antiparty books.

Biographies Are Most Problematic

Ding Guangen said: The Central Propaganda Department met and discussed with publication management departments ways and means of dealing with the above-mentioned situation toward the end of last year. They emphatically pointed out to the units and individuals concerned with the publications of these books the harm they were doing, urging them to proceed from the overall interests of political stability and not to guide people's thinking and political attention to unnecessary debates when our party was concentrating all its energy on construction and market-oriented reforms in spite of their own views. In the meantime, administrative measures were taken in respect of books published in private without going through the necessary examination. In less serious cases, which were given low-key treatment, publishers were told not to enlarge their distribution. In serious cases, the books were banned from circulation.

Stop Using the Past To Disparage the Present in Biographical Works

However, just as we had increased our vigilance against such books, people with ulterior motives again changed their tactics by concealing between the lines of biographies written by them their negation of our party's history and four cardinal principles. For example, in works on leading figures, they openly negated the necessary measures adopted by our party to "fight back

bourgeois liberalization" and "eliminate spiritual pollution" in the course of reform and opening up, alleging that these were really "a movement which was not a movement." Such comments filled the pages of the so-called "petitions" and "expostulations" written by rioters among the intelligentsia in 1989. These were subsequently criticized, but they have openly reappeared in mainland publications of late. This very much deserves our attention.

Ding Guangen said: Another phenomenon found in biographical works is the use of the past to disparage the present. Most typical are biographies that eulogize the deeds of Comrade Xiaoping or other proletarian revolutionaries of the older generation. On the surface nothing seems to be wrong with them, but on looking closer, we can see that the authors may be using the "April 5th" movement of 1976 as a foil for the political disturbances of 1989, or criticizing the "Gang of Four" antiparty clique on the surface while actually totally negating and censoring the way our party handled the 1989 disturbances. Further, some biographical works that eulogize Comrade Hu Yaobang negate in obscure language measures adopted by our party between 1986 and 1987 to "eliminate spiritual pollution" after giving an objective record of Comrade Yaobang's main achievements.

Political Problems Are Hard To Guard Against

In his speech, Ding Guangen admitted that publishing departments were not entirely to blame for the fact that many books which have "serious political problems" flood the market. He noted that many social scientists had learned how to circumvent political examination by publication management departments. He cited the publication of biographical works as an example. The departments concerned had indeed kept stringent control over quality, especially political quality, when they examined the manuscripts. However, when the books were sold on the market and comrades with a high level of political awareness spotted problems in them, the publication management departments discovered that what was wrong was that the publications were different in content from the manuscripts submitted for examination. Early this year, a usually serious and prudent publisher in Beijing put out a biography. The first proof was submitted to the publication examination department for approval, and nothing wrong was found. However the author had included much contraband material in the second proof.

Liberalization Is Much More Dangerous Than the Tide of Pornography

Ding Guangen emphatically pointed out that while the unchecked spread of the "tide of pornography," which corroded people's souls and corrupted social values, was the biggest threat to public order, the runaway "tide of bourgeois liberalization" which confused our minds and blurred our vision was the direct cause of political disturbances. However, in recent times, our news and publishing units and news and publication management

departments were only able to sense the harm of the spread of pornography. Toward the spread of the "tide of bourgeois liberalization," they either took no notice, or thought that it was of no consequence, or even made the mistake of giving the green light to the publication of books that publicized "bourgeois liberalization" on the excuse of "emancipating the mind," "academic freedom," and "letting a hundred schools of thought contend."

Ding Guangen said: Comrades should know that if, because of mistakes we made in our work, the tide of bourgeois liberalization was able to resurge, political disturbances would be inevitable. Should political disturbances erupt and political instability prevail, the country would have no peace. Not only would we be unable to carry out normal economic construction and continue with reform and opening, but the party and state would not be able to maintain necessary social order. In this sense, guarding against the spread of the "tide of bourgeois liberalization" is much more important than guarding against the spread of the "tide of pornography."

Liberalization Is More Difficult To Guard Against Than Pornography

While emphasizing that the "tide of liberalization" was more dangerous than the "tide of pornography," Ding Guangen also admitted that the former was much more difficult to guard against than the latter. He said: Guarding against the spread of the "tide of bourgeois liberalization" is a much more difficult and complex task than eliminating pornography. The difficulty lies in the fact that in the elimination of pornography, we can combine administrative means with economic fines and litigation. Toward publishing departments that violate the stipulated rules and regulations, we can resort to administrative measures, such as revoking business licenses and imposing closure orders. In serious cases, capital punishment may even be meted out to the ones directly responsible. However, in preventing the spread of the "tide of bourgeois liberalization" and prohibiting the publication of books which have serious political problems or are in contravention of the four cardinal principles, we cannot lightly resort to legal means. On the question of eliminating pornography, we can conduct raids and mass movements on a grand scale, but on the question of preventing the spread of the "tide of bourgeois liberalization," we can only rely on ideological education in the whole party and among the entire population, but cannot resort to surprise checks, still less mass movements. This gives loopholes to private publishers and the handful of social scientists who have serious political and ideological problems.

Political Examination Is Very Difficult

The complexity of this task lies in the fact that it is indeed difficult to set standards by which to judge articles and books which have serious political problems. In dealing with the authors of specific articles and books,

there is also the question of how to handle two types of contradictions of different nature. We must admit that although some of the popular social science publications have political problems of one kind of another, as long as they do not openly denigrate the four cardinal principles and directly attack the CPC and the socialist system, we cannot accuse the authors of breaking the law. Moreover, the fact that some authors kept their negation of the four cardinal principles and the CPC well concealed between the lines is also making the work of publication examination very difficult.

A Book Can Be a Money Maker So Long as It Is Banned

Ding Guangen said: Another erroneous tendency in the publishing industry is to take advantage of the rebellious spirit which is present to a greater or lesser extent among members of the public, particularly among young students, by using "violation of political taboos" as a selling point. Publishing houses in Beijing, Sichuan, and other places have all done this. They resorted to various means to advertise as "politically extremely sensitive" social science books which are not too healthy politically but otherwise have nothing seriously wrong. They tempted people to buy these books by arousing their curiosity. In toadying to the vulgar taste on political issues and achieving economic interests through political speculation, they are acting very irresponsibly.

All Publishing Organs Are Tools of the Party

Ding Guangen said: In order to prevent the circulation of books which have serious political problems, the only thing we can do is to take preventive measures by establishing and putting on a sound footing a system of examination for all publications. Of course this has to be supplemented by necessary administrative measures: First, we must strengthen the licensing, management, and examination of new publishing houses. Second, we must strengthen ideological education over the workers, particularly the managers, of publishing organs in order to increase their sense of political responsibility. Third, we must clearly define the duties and powers of different types of publishing organs. For example, publishing organs for natural science books should not be allowed to publish books on humanities. Fourth, which happens to be the most realistic and imperative task, is that publishing organs at all levels must strengthen their internal party organizations.

Put the Party in Charge of Business Operations in Publishing Organs

Ding Guangen said: In news and publishing organs, party organizations not only should do a good job of party building, but must pay attention to political quality in business operations. The party's role as a political supervisor should be given full embodiment in news and publishing organs. Propaganda departments and news and publication management departments in all localities should compile statistics on their party organizations as quickly as possible in order to provide the central

leadership with some first-hand information on these organizations. With the exception of special publishing units such as those run by democratic parties and purely academic publishing units, the great majority of general publishing units should, before too long, all be run by people who are members of their party organizations. Most publishing organs have responsible persons for administration, business operations, and party organization. Persons responsible for party organization may not have anything to do with administration, but should have a hand in business operations. If the editors or principal associate editors of most publishing organs, or the great majority of publishing organs, particularly those dealing in humanities or general publications, are also the responsible persons of their unit's party committee or party branch, control over the publishing industry will be much more positive and thorny political problems will be reduced in relative terms.

Peasants, Workers Democratic Party Ends Plenum

OW2112115493 Beijing XINHUA Domestic Service in Chinese 0730 GMT 19 Dec 93

[By correspondent Liu Nanyan (0491 0589 3601)]

[Text] Beijing, 19 Dec (XINHUA)—The Second Plenary Session of the 11th Chinese Peasants and Workers Democratic Party [CPWDP] Central Committee concluded here today. The plenary session reviewed the CPWDP's work this year and laid down tasks for 1994.

During the four-day meeting, committee members heard and deliberated a work report by Lu Jiaxi, vice chairman of the National People's Congress Standing Committee and chairman of the CPWDP Central Committee, on behalf of the 11th CPWDP Central Committee Standing Committee. The report, entitled "Work With Heart and Soul, Do Solid Work, and Play the Role of a Party Involved in State Affairs in Building a Socialist Market Economic System," pointed out: Over the past year, the CPWDP has achieved remarkable success in playing the role of a party involved in state affairs and in improving itself by combining the basic theory and line to be implemented during the primary stage of socialism in our country with its own specific conditions. The report stated: In the new year, the CPWDP should take Volume 3 of the *Selected Works of Deng Xiaoping* as a scientific guide and the "Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure" as an action plan, earnestly implement relevant principles and tasks set forth by the national united front work conference, and provide advice on state affairs from an overall perspective.

CPWDP Central Committee vice chairpersons attending the session included Fang Rongxin, Yao Jun, Zhang Shiming, Tian Guangtao, Jian Tiancong, Chen Haozhu, Yan Hongchen, Song Jinsheng, and Jiang Zhenghua. A

seminar marking Comrade Mao Zedong's birth centennial was also held during the meeting.

Communist Youth League Begins Volunteer Tasks

OW1912090293 Beijing XINHUA in English 0832
GMT 19 Dec 93

[Text] Beijing, December 19 (XINHUA)—More than 20,000 young volunteers conducted special services today at some 120 railway stations and on 33 trains along the 2,400-km railway line from Beijing to Shenzhen.

Their voluntary services included cleaning station facilities, serving passengers and assisting the old and the young.

This marked the beginning of Chinese Young Volunteers' Activities being launched by the Central Committee of the Chinese Communist Youth League (CCYL), said an official from the CCYL Central Committee.

According to the official, the Chinese young volunteers' activities are an important part of the "civilization project of Chinese trans-century youth" launched by the CCYL Central Committee this year. They are aimed at improving young people's ideological quality and promoting sound general social trends so as to create favorable conditions for the development of China's socialist market economy, said the official.

The Chinese young volunteers' activities are open for young people to attend, said the official.

The official said that in the near future such activities will focus on voluntary labor, public security, environmental protection, disaster relief and consultative services.

Commentator on Political Work in Enterprises

HK2112061793 Beijing RENMIN RIBAO in Chinese
19 Dec 93 p 3

[Commentator's Article: "Let Ideological and Political Work of Enterprises Be Full of Life"]

[Text] The national conference to exchange experiences in ideological and political work in enterprises called by the CPC Central Committee Propaganda Department has now opened. The conference, which is held at a time when people across the nation are conscientiously studying Volume 3 of the *Selected Works of Deng Xiaoping* and carrying out the "Decision of the CPC Central Committee on Issues Concerning the Establishment of a Socialist Market Economic Structure," was designed to evaluate experiences in doing ideological and political work in enterprises, to study relevant problems, to broaden our horizons, and to explore new methods in a bid to breathe life into this work under the new situation.

Since the Third Plenary Session of the 11th CPC Central Committee, ideological and political workers in enterprises have made marked achievements in carrying out the party's basic line in a comprehensive way, in arousing the enthusiasm of cadres and workers, in promoting enterprise reform, in increasing production, and in improving management and services. Our experience has taught us again and again that our undertakings in various fields develop smoothly when there is dynamic and powerful ideological and political work and that our undertakings and work in various fields are interfered with or get into trouble when ideological and political work weakens or is ignored. On this matter Comrade Deng Xiaoping has given instructions: "To strengthen party leadership, the most important thing to do is to strengthen ideological and political work." He has repeatedly emphasized: As reform deepens and China opens more widely to the outside world, there will be all the more need to strengthen ideological and political work and to stick to the principle that both material progress and cultural and ideological progress should be promoted in real earnest and neither aspect should be neglected. This is a truth justified by practice as well as an internal demand of building socialism with Chinese characteristics—a great cause. We should not neglect and relax ideological and political work at any time and under any circumstances.

As we are beginning to set up a socialist market economic structure, replacing the old structure with a new one, there are bound to be great changes in interest relationships and various contradictions become complicated. Confronted with new situations and new problems, ideological and political workers must provide clear-cut and scientific answers to the questions of what should be encouraged, what should be opposed, what should be allowed, and what should be restricted. What matters is that we should, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, regard it as our basic task to carry out the party's basic line, principles, and policies; stick to the central task of changing the operational mechanism of state-owned enterprises by establishing a modern enterprise system and updating management and operations; take a firm and clear-cut stand in singing aloud the main melody [chang xiang zhu xuan lu 0788 0742 0031 2467 1774]; vigorously disseminate patriotism, collectivism, and socialism; foster correct ideals, belief, outlook on life, and values; conscientiously combat money worship, hedonism, and extreme individualism; carry on ideological and political work along different lines, by various means, and in accordance with existing situation; unite with all the forces that can be united; bring every positive factor into play; turn negative factors into positive factors; concentrate popular will on the task of promoting enterprise reform, production, and operations; dare to make experiments and explore new ways; and be selflessly devoted and have a sense of being the master of one's own affairs in order for enterprises to make new progress under the market economy.

Ideological and political work is a systematic project. We should not leave the work only to the care of ideological and political workers; leaders of party and government departments, trade unions, the Communist Youth League, and women's federations are also duty-bound to do the work. Again, every educator should at the same time be educated. Only when one works hard to enhance his party spirit, raise his ideological level, and improve his work style, can he be ready to accept, support, and take part in ideological and political work; and only when one is willing to support and take part in ideological and political work, can he consciously accept education and supervision and then have high prestige among the masses. If we can arrive at a clear understanding of this dialectical relationship and require everyone to perform his duties and exploit his strong points, thus forming a pool of forces, while carrying out investigations and studies and applying theory to reality, we will be able to elevate ideological and political work in enterprises to a new level, providing a powerful spiritual driving force and ideological guarantee for changing the operational mechanism of enterprises and developing socialist productive forces.

Let ideological and political work in enterprises be full of life.

Articles Discuss Deng Xiaoping's Works

Commentator on Studying Works

HK211211793 Beijing *RENMIN RIBAO* in Chinese
18 Dec 93 p 1

[Commentator's article: "Integrate Study of Volume 3 of the *Selected Works of Deng Xiaoping* With the 'Decision'—Fourth Commentary on Studying the Volume 3 of *Selected Works of Deng Xiaoping*, Volume 3." See item headlined "Commentator on Studying Deng's Works" in the Political & Social section of the 9 December China DAILY REPORT, pp 9-10.]

[Text] The publication of both Volume 3 of the *Selected Works of Deng Xiaoping* [Selected Works] and the "Decision by the CPC Central Committee on Issues Concerning the Establishment of the Socialist Market Economic Structure" ["Decision"] which was adopted by the Third Plenary Session of the 14th CPC Central Committee, is a significant event in the political life of the whole party, and provides a mighty ideological weapon for China in its efforts to triumphantly build socialism with Chinese characteristics, promote reform, and to bring about development. A profound inherent link exists between the *Selected Works* and the "Decision." Cadres at all levels should integrate study of the *Selected Works* with that of the "Decision" and achieve mastery and deepen understanding of the two through comprehensive study.

If we regard the *Selected Works* as a blueprint specially designed for the grand mansion of socialism with Chinese characteristics, the "Decision" can be said to be an

important implementation plan for the completion of the mansion. The *Selected Works* has creatively put forward and elaborated the theory on building socialism with Chinese characteristics, conceived and designed with great foresight the "three-step" development strategy guiding the socialist modernization drive and, therefore, has provided us with a scientific guide for our efforts to carry out reform and opening up and to bring about socialist modernization. Over the past 15 years, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, China has attained significant accomplishments in reform and economic construction which have attracted the world's attention. It is exactly on the basis of Comrade Deng Xiaoping's theory that the "Decision" has systematically summed up the experience China has gained in the economic structural reform over the past 15 years, raised and answered a series of major issues that need to be resolved during the current stage of deepening reform, and drawn up a basic framework and made arrangements for setting up an initial socialist market economic structure at the end of this century. It can be said that the "Decision" is a concrete expression of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, as well as an example of applying this theoretical analysis to resolving practical problems. The "Decision" has special features in the following several aspects which require conscientious comprehension. First, implementing and embodying the quintessence of Comrade Deng Xiaoping's theory of "emancipating the mind and seeking truth from facts," the "Decision" has not only made breakthroughs in renewing concepts concerning major reforms but it has also paid attention to the convergence and transition of reforms proceeding from China's national conditions. It has not only assimilated the successful experience of foreign countries but also given expression to the special features of the socialist system, summarizing and utilising our own experience gained from practice. Second, the "Decision" is an embodiment of Comrade Xiaoping's remarks on the essence of socialism. Comrade Deng Xiaoping pointed out: "The essence of socialism is emancipating and developing productive forces, eliminating exploitation and polarization, and finally reaching the goal of common prosperity." The spiritual essence of the "Decision" is to keep a firm grip on the central task of economic construction, further promote the productive forces of socialism through accelerating the establishment of a socialist market economic structure, and enhance the living standards of the vast numbers of the masses of the people. Third, the "Decision" has: Made breakthroughs on several selected key links, including the establishment of a modern enterprise system, the cultivation and development of a market system, and the reform of the macroeconomic control and regulation system; drawn up reform plans; reflected an urgency in speeding up the establishment of a new structure; and has given expression to the spirit of having the courage to open up new paths, as reflected in Comrade Xiaoping's call to "seize favorable opportunities and develop ourselves." We can

say, therefore, that the "Decision" is a concrete embodiment of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as well as a precious crystallization of China's experience in the reform, opening up, and modernization drive.

Integrating study of the *Selected Works* with that of the "Decision" is of extremely great significance to deepening reform and expediting the establishment of the socialist market economic structure. By studying the *Selected Works* we aim to master the world outlook and methodology in Comrade Deng Xiaoping's works, resolve practical problems in today's China, and realize the "three-step" strategical goal. The "Decision" is precisely the result of our efforts to use Comrade Deng Xiaoping's theory to creatively settle problems cropping up during the current stage of deepening reform. Through integrating study of the *Selected Works* with that of the "Decision," we can deepen our understanding of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and also of the policy decisions and arrangements made by the central authorities concerning the establishment of a socialist market economic structure. By so doing, we can, by integrating theory with practice, further encourage our cadres at all levels to seize the moment and do a good job in deepening reform and establishing a socialist market economic structure.

The situation spurs us on. The coming year of 1994 will witness our efforts to accelerate the establishment of a socialist market economic structure, deepen reform in a comprehensive way, and carry out opening up in more fields. We should adapt all our work to the needs of this new situation. During their study of the *Selected Works* and the "Decision," party cadres at all levels should further emancipate their minds, seek truth from facts, and free themselves from the fetters of outmoded concepts which do not tally with the reality of today's China or with the progressive tides of our times. It is imperative for us to take a correct attitude towards study, improve our work style, enhance the leadership level, be bold in practice, have the courage to open up new paths, do a good job in all fields of endeavor, and strive to speed up China's development under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

Views on Deng's Theory

OW1812111693 Hefei ANHUI RIBAO in Chinese 10 Nov 93 p 3

[Article by Wang Yuchuan (3769 3768 1557): "Party's Ideological Banner and People's Spiritual Pillar—Profoundly Understand Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics"]

[Text] After a series of arduous explorations following the Third Plenary Session of the 11th CPC Central Committee, the party and the people under Comrade Deng Xiaoping's leadership have found the road to

building socialism with Chinese characteristics and they founded the theory of building socialism with Chinese characteristics. Just like Mao Zedong, who had correctly answered for the first time the basic questions about how China should carry out new democratic revolution, thereby enriching and developing Marxism through a new perspective, Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics has systematically answered for the first time the basic questions about how an economically and culturally underdeveloped country like China can consolidate and develop socialism, thereby inheriting and developing Marxism through a new perspective. This theory—with intellectual emancipation and truth seeking as its essence, the party's basic line as its main line, the judgment that China is at the initial stage of socialism as its theoretical foundation, socialist market economy as its core, and socialist modernization as its strategic goal—is strong structurally and well-organized logically; it has fully reflected the latest results achieved in integrating Marxism with China's actual needs; and a series of theoretical viewpoints have achieved new leaps. Instead of "following the Soviets," China is now "following its own way" to build socialism with Chinese characteristics; rather than "being unclear" with the stage of social development, China has now a theory which specifically states that the nation is now at the initial stage of socialism; instead of simply generalizing the basic characteristics of a socialist society, the real nature of socialism has now been profoundly revealed; instead of "taking class struggle as the key link," the basic line characterized by "one central task and two basic points" has been established; instead of promoting production by launching political movements, the nation is now emancipating and developing productive forces through reform; instead of having a unitary planned economic system, the nation is now building a socialist market economic system; the endeavor of launching the four modernizations has now developed into the endeavor of embarking on socialist modernization; and instead of embarking on national construction behind closed doors, China has now opened to the outside world in all directions and is utilizing capitalism to develop socialism. Regarding such important issues as the course of socialist development, the stage of development, the fundamental tasks during the development, the power for development, the external conditions, political guarantee, and strategic steps, Comrade Deng Xiaoping has come up with many brand-new ideas and viewpoints, enabling our party to make new advances in understanding socialism and enriching the vault of Marxism with much new substance. His observations that reform is also a revolution and the power for the development of our socialist society, and that a socialist market economic system should be established; his creative "one country, two systems" concept for achieving national reunification; his "three-conducive" standards [meaning "conducive to developing the productive forces of our socialist society, conducive to increasing the overall strength of our socialist country, and conducive to

improving the people's living standards"]; and his theoretical views that science and technology are the primary productive force, and that the relationship between allowing some people to become well off first and achieving common prosperity should be properly handled are all new observations that cannot be found in the Marxist classics.

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a great banner under which the peoples of all nationalities across the country march toward the next century under the leadership of the CPC. Every nation needs an ideology as its spiritual pillar. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is now the Chinese nation's ideological banner and spiritual pillar. After deciding that Mao Zedong Thought was the guiding thought for the CPC, the Seventh National CPC Congress held 48 years ago guided us to overturn the three great mountains [the three reactionary forces that pressed on the Chinese people in Old China: imperialism, feudalism, and bureaucratic capitalism] in less than five years, ushering in the birth of new China and enabling the Chinese nation to make a great historical stride. The 14th National Party Congress, by deciding that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the guiding thought for the whole party and the people of the whole country in the new period, declared to the whole world that, while leading more than 50 million party members and 1.1 billion people to expedite reform, opening up, and modernization drive, the CPC had held high a brilliant great banner, namely building socialism with Chinese characteristics. This banner will certainly further mobilize the people to march triumphantly toward the 21st century and achieve another leap in Chinese history.

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the guiding thought and fundamental guarantee for our efforts to accelerate the socialist modernization drive. Guided by this theory, profound changes have taken place in China in all areas and the nation has achieved universally acclaimed results in a decade or so. The basic food and clothing problems of 1.1 billion people have been resolved, and China has made substantial headway in economic construction, improving people's livelihood, and improving its overall strength. China's socialist system has withstood severe tests and demonstrated a strong vitality. Facts prove that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a great and correct scientific theory born in the great land of China, and it is the fundamental guarantee for achieving success in building socialism with Chinese characteristics. The basic purpose of this theory is to effectively promote social productive forces, continuously satisfy people's increasing material and cultural needs, and reach the final goal of achieving common prosperity among the people of the country. Therefore, this theory is in line with our national realities and popular will, and

it is the best means for arousing the initiative and creativity of the people. So long as we steadfastly uphold this theory, China will achieve great success in its reform, opening up, and socialist construction; and the nation can successfully march into the 21st century and reach the grand goal of becoming a country with living standards of those of medium-developed countries by mid-2000's.

Comrade Deng Xiaoping's theory of building a socialism with Chinese characteristics is a lamp guiding China's second revolution. Comrade Deng Xiaoping said on many occasions that "reform is China's second revolution." The first revolution, which opened a new era in the history of China, was the foundation of China's progress in all fields. The second revolution is carried out on the basis of the results achieved in the first revolution. Instead of trying to change the nature of our socialist system, it is a means facilitating our socialist system's self-improvement and development. Instead of making minor repairs, it aims at bringing about a fundamental change to the economic system. Its purpose is to create a vigorous socialist society in China to fully demonstrate the superiorities of socialism. The second revolution still has a long way to go. Its mission is arduous and its work is hard. Theory originates from practice. Great practice will certainly produce great theory. New situations, new problems, and new contradictions cannot possibly be dealt with by old ideas. The theory of building a socialism with Chinese characteristics is the lamp guiding the second revolution. When we persist in following the guidance provided by this theory, we will be able to solve new situations, problems, and contradictions cropping up during the second revolution, and we will do an even better job in following through with the basic line as well as all principles and policies under complex environments and conditions and bring about an upsurge in the second revolution and lead it to victory.

Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a sharp weapon for guarding against rightism, but primarily leftism. This theory was born when disastrous consequences had been created by the theory of continuing the revolution under the dictatorship of the proletariat. It was developed by Comrade Deng Xiaoping during the new period when he led the party to oppose both "leftist" and rightist tendencies appearing during the course of implementing the party's basic line, and it was also created through summing up and learning from the historical experiences about socialist successes and failures of other countries. During the course of modernization, ideas of bourgeois liberalization discrediting the Four Cardinal Principles will still appear. Just as Comrade Deng Xiaoping has pointed out: "We will proceed with our four modernizations for a period ranging from 50 to 70 years, and the need to oppose bourgeois liberalization will continue to exist in this period." However, the root of "leftism" is very deep and the mistakes it created have continued to exist for a very long time—nearly 20 years during the

socialist period. Moreover, "leftism" has the hue of revolution. Some people seem to think that the more one is "leftist," the more revolutionary he will be. "Leftism" has become a habitual force which is not easy to stop. While rightism can bury socialism, so can "leftism." China must watch out for rightism, but it must primarily guard against "leftism." As long as we follow the guidance provided by the theory of building socialism with Chinese characteristics and implement the party's basic line in all fields, we can correctly launch the struggle against both the rightist and "leftist" lines.

Regional Roundup on Works

OW1712154893

[Editorial Report] Following is a roundup of reports on study of Volume 3 of the *Selected Works of Deng Xiaoping*, carried by PRC regional media from 19 November to 12 December.

Shanghai JIEFANG RIBAO in Chinese on 23 November publishes on pages one and five a 2,000-character article by He Zhukang, secretary of the Jilin CPC Committee, entitled "Persist in Mind Emancipation and Seeking Truth from Facts." He points out that people who emancipate the mind and seek truth from facts tend to proceed from reality and work creatively. He adds that "without mind emancipation and proceeding from reality, it is impossible to seek truth from facts and work creatively." He calls for the constant emancipation of the mind and studying new problems. He notes many urgent issues that need to be solved in the course of establishing a socialist market economy and asserts that "the process of studying and solving those problems in a spirit of seeking truth from facts amounts to persisting in and the development of the socialism with Chinese characteristics."

Shanghai JIEFANG RIBAO in Chinese on 24 November publishes on pages one and five a 2,500-character article by Jiangxi Governor Wu Guanzheng entitled "A Modern Chinese Marxist." Wu praises Deng Xiaoping as "an outstanding Marxist and a great patriot; he always adheres to Marxism and constantly enriches and develops Marxism in practice." According to Wu, the great achievements of Deng Xiaoping "lie in the successful discovery of a path to build socialism in China, in laying the foundation for Marxist theory on building socialism."

Shanghai JIEFANG RIBAO in Chinese on page 10 a 5,500-character article by Li Junru entitled "Scientific Attitude for Theory Founding." Li points out that for a Marxist, "the issue of the so-called theory founding is nothing but a recognition and development of Marxism under changed conditions." He notes that Deng Xiaoping terms a theory which is removed from reality an "empty theory" and a theory that is closely integrated with reality a "new theory." If one is detached from reality, one cannot be expected to correctly proceed with the founding of Marxist theory. He calls for restudying and developing

Marxism in a spirit of seeking truth from facts and according to changed conditions.

Shanghai JIEFANG RIBAO in Chinese on 24 November publishes on page 10 jottings by Sha Shuiqing entitled "A Hard-To-Come-By Opportunity." Sha notes Deng Xiaoping's call for "seizing opportunity" in the Volume 3 of the *Selected Works of Deng Xiaoping*. In sensing the weight of these recurrent messages, Sha calls on all to remember the "earnest urgings of the chief architect" and to redouble their efforts so as to invigorate the Chinese nation.

Shanghai JIEFANG RIBAO in Chinese on 25 November publishes on pages one and five a 3,000-character article by Huang Qifan, deputy head of the new Pudong area management commission, entitled "Doing a Good Finance Job Is the Key to Economic Reform and Development." Huang says that Deng Xiaoping's fiscal strategy points out an effective way to enhance macroeconomic control. The macroeconomic control measures that the central government have taken this year to rectify the financial order show the correctness of Deng Xiaoping's financial strategy.

Shanghai JIEFANG RIBAO in Chinese on 27 November publishes on pages 1 and 5 a 2,500-character article by Fujian Governor Jia Qinglin: "Go Along With the Historical Trends and Promote Peaceful Reunification." The article first notes the concept of "one country, two systems" proposed by Deng Xiaoping and its significance as expounded in Volume 3 of *Selected Works of Deng Xiaoping*, then goes on to explain how Fujian, a province having close relationship with Taiwan, can take this concept as the guidance in bringing about peaceful reunification. The article proposes goals in forging closer ties with Taiwan and stresses the need to oppose any ideas other than "one country, two systems." It finally notes that in cross-strait contacts, "we should guard against the infiltration of foreign hostile forces and resist the corrosive influence of all kinds of decadent thinking from the West."

Shanghai JIEFANG RIBAO in Chinese on 1 December publishes on page 10 an 8,000-character article by Xia Yulong [1115 4416 7893]: "The Shortcut to Stepping Up Development and Achieving Common Prosperity." It reviews China's failure in economic development during Mao Zedong's time and Deng Xiaoping's subsequent proposal of a more practical and feasible idea—"let some areas develop first" and "first developed areas should help areas falling behind them so as to achieve common prosperity." The article notes success of China's first special economic zones and the coastal areas following them. However, these areas did not bring about too much development in other hinterland areas. Shanghai is different; the development of Pudong will surely trigger development along the Chang Jiang. The article finally sums up Deng Xiaoping's guidelines on Shanghai's development.

Shanghai WEN HUI BAO in Chinese on 7 December publishes on page 1 a 10,000-character article by Jia Chunfeng [6328 2504 1496]: "Opening Up a New Situation for Building Spiritual Civilization Under the Market Economic Conditions." It notes that "developing a market economy and building spiritual civilization are two important parts in the system of theory on building socialism with Chinese characteristics." It states that the readjustment of economic and interest structures in the course of reform and opening up has caused changes in people's spiritual and cultural life, calling for a new situation for building spiritual civilization. The article then elaborates Deng's ideas on building socialist spiritual civilization—mainly "nurture one generation after another of citizens of a new type who have high ideals, moral integrity, a better education, and a strong sense of discipline."

Hefei ANHUI RIBAO in Chinese on 1 December publishes on page 1 a 200-character report on the beginning of the third term of the provincial party committee-sponsored study class for cadres at and above department and bureau levels to study Volume 3 of the *Selected Works of Deng Xiaoping* on 29 November. Shen Shanwen, commander of the Anhui Military District, addresses the class as its leader. He urges the class members to "constantly enhance our understanding of the CPC Central Committee's strategies on deepening the reform and a series of principles and strategies on building a socialist market economic system through studying Volume 3 of the *Selected Works of Deng Xiaoping*, and unswervingly follow the party's basic line."

Urumqi XINJIANG RIBAO in Chinese on 19 November publishes on page 4 a 3,800-character article by Pei Yingming [5952 5391 2494]: "A Powerful Ideological Weapon for the Struggle Against Corruption." The article summarizes Deng Xiaoping's repeated warnings against corruption in the past 15 years. Taking the anticorruption struggle as a matter of vital importance to the "life and death of the party and the state," the article expounds Deng's words on the importance of having leading cadres take the lead in promoting self-discipline and honest practice and on the need to lay equal stress on reform and opening up, as well as cracking down on various kinds of crime.

Lhasa XIZANG RIBAO in Chinese on 22 November publishes on page 3 a 1,200-character article by Gu Wen [0657 2429]: "Carry Forward the Study Style of Linking Theory With Practice." The author, whose title is not mentioned, stresses the need to integrate the study of Deng Xiaoping's theory on building socialism with Chinese characteristics with Tibet's practical need "to stabilize the situation and fight separatism." It says: "Comrade Xiaoping's exposition on stability has practical and far-reaching significance for guiding Tibet." Citing Deng's instruction that "without a stable environment, nothing can be achieved and what has been achieved will be lost," the article says that this and other "incisive expositions" can guide us to understand the significance

of "safeguarding our country's independence and sovereignty, safeguarding national unity, strengthening national solidarity, and firmly opposing separatism; and they are powerful ideological weapons for dealing with international anti-China forces and waging the struggle against separatism."

Some PRC regional transmitters have also carried reports on studying Volume 3 of the *Selected Works of Deng Xiaoping*.

Nanjing Jiangsu Provincial Network in Mandarin at 2300 GMT on 1 December carries a two-minute report on a class opened in Nanjing on 30 November for people's deputies in Jiangsu to study Deng's selected works. The report says that Shen Daren, chairman of the Jiangsu Provincial People's Congress Standing Committee, set for the deputies some requirements on studying Volume 3 of the *Selected Works of Deng Xiaoping* and the decision of the Third Plenary Session of the 14th CPC Central Committee. Shen stresses that the selected works and the decision must be studied in full and their "spiritual essence" must be fully and thoroughly understood.

Nanjing Jiangsu Provincial Network in Mandarin at 2300 GMT on 6 December carries a two-minute report on the "winter training" for the 2 million or so party members and cadres in rural Jiangsu. It says that, in addition to educating party members and cadres on deepening rural reform and on the party's rural policies, this year's winter training will also focus on educating party members and cadres on the theory of building socialism with Chinese characteristics through studying Volume 3 of *Selected Works of Deng Xiaoping*. The report points out that "studying Comrade Deng Xiaoping's works must be associated with the current situation and tasks, keeping in mind rural areas' actual performance and the thinking of party members and cadres in rural areas."

The same network also carries a two-minute report on a seven-day "reading class sponsored by the Nanjing Military Region for secretaries of party committees of corps and higher-level units." The report says that "generals from all major units" thoroughly studied the 119 articles as a "comprehensive system," focusing on expositions about the need to emancipate the minds, what is socialism, how to build socialism, and the need to foster patriotism.

Nanjing Jiangsu Provincial Network in Mandarin at 2300 GMT on 11 December carries a two-minute report on the conclusion of a seven-day studying seminar, attended by "principal municipal and departmental cadres," on 11 December. The report says that mayors and principal leading comrades of provincial organs, departments, and bureaus focused on studying Deng's works and discussed them in conjunction with their thinking and work. While addressing the seminar, the report says, Chen Huanyou, secretary of the Jiangsu Provincial Party Committee, says: "The study of

Volume 3 of the *Selected Works of Deng Xiaoping* is unfolding in all parts of Jiangsu. We should make efforts to guide the study so that it will deepen."

Lhasa Tibet Television Network in Mandarin at 1200 GMT on 11 December carries a one-minute announcer-read report over video on the close of the second regional seminar for regional, prefectural, and county leading cadres to study Volume 3 of the *Selected Works of Deng Xiaoping*. The report says: "On the basis of reading all the articles in Volume 3 of the *Selected Works of Deng Xiaoping*, these leading cadres thoroughly and repeatedly studied the major articles," adding: "As a result of the study, they realized the need to study Volume 3 of the *Selected Works of Deng Xiaoping*, heightened their awareness and sense of urgency of the study, deepened their understanding of the theory of building socialism with Chinese characteristics, eliminated certain misconceptions, became more aware of upholding the party's basic line, and had a new understanding of Comrade Deng Xiaoping's historical status and role."

Lhasa Tibet Radio Network in Mandarin at 1430 GMT on 12 December transmits a 1.5-minute report saying that regional party and government leaders Chen Kuiyuan, Gyaincain Norbu, Zhang Xuezhong, and others visited the Tibet Office in Beijing on 5 December to see the 70 Tibetan students studying at the Central Party School. The report adds that Chen Kuiyuan urged the students to "seriously study" Deng's works and documents of the Third Plenary Session of the 14th CPC Central Committee so as "to know how to use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to understand and solve new situations and new problems they encounter in doing their work."

Central, Local Roundup on Works

OW1812072793

[Editorial Report] Following is a roundup of reports on the study of Volume 3 of the *Selected Works of Deng Xiaoping* carried by the PRC Central and regional media from 19 November to 7 December 1993.

Beijing XINHUA Domestic Service in Chinese at 0748 GMT on 1 December transmits a 363-character report on the Sixth National Seminar on Ideological and Political Work in Enterprises which opened in Beijing on 1 December. The seminar was sponsored by the CPC Central Committee Propaganda Department [CPC-CCPD], the All-China Federation of Trade Unions [ACFTU], and the Society for the Study of Workers' Political and Ideological Work [SSWPIW] to encourage party and government cadres in enterprises to further study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; deepen their understanding of the central authorities' important decisions and policies on establishing a socialist market economy; further studying the principle of persisting in attaching equal importance to two types of work at the same time under the new situation; and improving

ideological and political work in enterprises in a down-to-earth manner. At the opening ceremony, responsible persons of the CPCCPD, ACFTU, and SSWPIW delivered speeches on "the study of Volume 3 of the *Selected Works of Deng Xiaoping* and on the position of the working class as the master."

Beijing XINHUA Domestic Service in Chinese at 0903 GMT on 3 December transmits a 1,151-character report on a forum convened by the CPC Central Committee Propaganda Department on 3 December to discuss the building of spiritual civilization with responsible people of all the democratic parties and the All-China Federation of Industry and Commerce. Propaganda Department Deputy Director Gong Xinhua chaired the meeting; Executive Deputy Director Xu Weicheng "briefed the meeting on the work done by the CPC Central Committee Propaganda Department in building spiritual civilization since early this year and proposed to further strengthen the building of spiritual civilization in the future." According to the report, responsible people of all the democratic parties and the All-China Federation of Industry and Commerce highly appraised the work done by the Propaganda Department since early this year. They pointed out: "The building of socialist spiritual civilization is an important integral part and one of the intrinsic qualities and characteristics of socialism with Chinese characteristics; it is an important issue of great concern to all walks of life, and the party and state have taken many measures to strengthen the building of spiritual civilization and achieved success to a certain extent in recent years. But nevertheless, some people are still preoccupied with corrupt and unhealthy ideology, and the concept of value as money worship, pleasure-seeking, and extreme individualism at the same time." They stressed the importance of education, correct orientation by the mass media, vigorous endeavors to build spiritual civilization, and concerted efforts by all quarters. They pointed out that socialism aims at promoting simultaneous development of the two civilizations, and "while making vigorous efforts to develop material civilization, we must persist in arming people across the country with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics." Liu Yandong, deputy director of the United Front Work Department of the CPC Central Committee, attended the meeting.

Hefei Anhui People's Radio Network in Mandarin at 1100 GMT on 19 November, in its "Provincial News Hookup" program, carries a 5- minute report on an enlarged meeting of the standing committee held by the provincial party committee between 17 and 18 November to relay and study the guidelines of the Third Plenary Session of the 14th CPC Central Committee. Provincial Party Committee Secretary Lu Rongjing chaired the meeting and delivered an important speech (not cited). Deputy Secretaries Yang Yongliang and Wang Taihua relayed the guidelines of the Third Plenary Session. Comrades attending the meeting conscientiously studied the CPC Central Committee's decision

on certain issues concerning the establishment of a socialist market economic system and the important speech delivered by Comrade Jiang Zemin at the plenary session; called for gaining a profound understanding of the importance and far-reaching significance of the Third Plenary Session; urged party organizations at all levels to carefully plan and organize study in order that the vast numbers of party members, cadres, and the masses may acquire an in-depth understanding of the guidelines of the plenary session; required "the study of the documents adopted by the plenary session must be conscientiously integrated with the study of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and, in particular, with the study of Volume 3 of the *Selected Works of Deng Xiaoping*; and that an overall arrangement be made to enable the two studies to promote each other, continuously deepen understanding, and truly reach a consensus on Comrade Xiaoping's theory as well as the guidelines of the Third Plenary Session." The meeting called for successful implementation of the Third Plenary Session's guidelines in the light of actual conditions, correctly handling the relationship between reform and development and between strengthening macroeconomic control and giving full play to the role of the market, adhering to the principle of attaching equal importance to two types of work at the same time, further emancipating the mind and seizing the opportunity to accelerate reform and development, unswervingly strengthening the role of agriculture as the foundation of the national economy, further successfully running the large and medium-sized state enterprises, and establishing a modern enterprise system. The meeting stressed: "Strengthening party building and the building of spiritual civilization is an important guarantee for expediting the establishment of a socialist market economic system," and "it is necessary to conscientiously arm all party members with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, strengthen the building of party organizations, step up effort to conduct surveys, and improve work style as well as the method of thinking."

Hefei ANHUI RIBAO in Chinese on 26 November on its front page publishes a 450-character report on a provincial party committee propaganda department-sponsored meeting of responsible people of major newspapers directly under the provincial party committee, and responsible people of radio and TV stations in charge of theoretical work, to further promote widespread and in-depth study of Volume 3 of the *Selected Works of Deng Xiaoping*. At the meeting, the theoretical department of the provincial party committee propaganda department gave a briefing on "the plan drawn up by the provincial party committee and its propaganda department for conducting the study of Volume 3 of the *Selected Works of Deng Xiaoping* as well as the documents adopted by the Third Plenary Session of the 14th CPC Central Committee, and on their opinions on the arrangement for such a study." Comrades attending the meeting discussed the "practices adopted by all units in propagandizing the study of Deng Xiaoping's theory on

building socialism with Chinese characteristics in the earlier period as well as the next-step plan for continuing to study Volume 3 of the *Selected Works of Deng Xiaoping* and the documents adopted by the Third Plenary Session of the 14th CPC Central Committee." Chen Xianzhong, deputy director of the provincial party committee propaganda department, addressed the meeting on conducting propaganda for such a study.

Hefei Anhui People's Radio Network in Mandarin at 1100 GMT on 7 December, in its "Provincial News Hookup" program, carries a 2- minute report on the fourth on-the-job training session sponsored by the provincial party committee for 130 leading cadres at and above the department and bureau level to study Volume 3 of the *Selected Works of Deng Xiaoping*. The training session opened in the provincial party committee's party school on 6 December. Wang Yang, standing committee member of the provincial party committee and vice governor, delivered a mobilization speech at the meeting. He said: "Comrade Xiaoping's theory embodies a most concentrated reflection of the objective and [words indistinct] understanding gained by our party about reform, opening up, and socialist modernization in the decade following the 12th national party congress, and answers a series of important, realistic questions on how to build socialism with Chinese characteristics." Therefore, he said: "Studying and familiarizing ourselves with Volume 3, and gaining a profound understanding of and grasping the basic experiences accumulated by the second leadership collective of the central authorities with Comrade Deng Xiaoping as the nucleus, in pioneering new undertakings as well as the basic theories it created and the basic line it evolved, have extremely important significance for our leading cadres at all levels; and will surely boost our confidence and enable us to fulfill the tasks of the 1990's in a better way and triumphantly march toward the 21st century."

Lhasa Tibet Radio Network in Mandarin at 1430 GMT on 25 November, in its "News" program, carries a 1-minute XIZANG RIBAO report on the efforts made by party committees of units at and above regimental level of the Tibet Military District to diligently study Volume 3 of the *Selected Works of Deng Xiaoping*. In addition to conducting a study among party committees and their standing committees, all military subdistricts held discussion and report meetings to help officers and men gain a full understanding of the important significance of studying Volume 3.

Nanjing XINHUA RIBAO in Chinese on 24 November publishes on its front page a 1,100-character report on a provincial party committee- sponsored class for 34 principal leading cadres of cities and departments to study and discuss Volume 3 of the *Selected Works of Deng Xiaoping*. The class opened in the provincial party committee's party school on the morning of 23 November. Among those who participated in the opening ceremony were Chen Huanyou, secretary of the provincial party committee; Deputy Secretaries Sun Jiazheng, Cao Hongming, and Cao Keming; and Hu

Fuming, Gu Hao, and Xu Zhonglin, standing committee members of the provincial party committee. Sun Jiazheng addressed the meeting. He said it is "a pressing task" for principal responsible comrades of all cities and departments to "diligently study and have a thorough understanding of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics under the present new situation of accelerating economic development and expediting the establishment of a socialist market economic system." He required comrades attending the class to "integrate the study of Volume 3 with the study and implementation of the guidelines laid down by the Third Plenary Session of the 14th CPC Central Committee," noting "the third plenary session is a meeting that holds high the great banner of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; the 'Decision' adopted by the plenum embodies the series of important exposition contained in the *Selected Works of Deng Xiaoping*, and integrating the study of Volume 3 with the study and implementation of the guidelines of the third plenary session is conducive to deepening our understanding of Comrade Deng Xiaoping's theory and to implementing the session's guidelines in a better way." A class for directors of propaganda departments and presidents of party schools under city party committees to study and discuss Volume 3 also opened at the same time.

Nanjing Jiangsu People's Radio Network in Mandarin at 2300 GMT on 1 December, in its "Provincial News Hookup" program, carries a 2-minute report on the commencement of a training class on Volume 3 of the *Selected Works of Deng Xiaoping* for cadres of the provincial people's congress. Shen Daren, chairman of the standing committee of the provincial people's congress, spoke. He stressed: "It is necessary to comprehensively study and understand the guidelines of Volume 3 of the *Selected Works of Deng Xiaoping* and the decision of the Third Plenary Session of the 14th CPC Central Committee on establishing a socialist market economic structure to further define the guiding ideology for the tasks of people's congresses. The people's congresses should center closely on reform, opening up, and economic development, as well as undertake socialist democracy and legal system construction as their fundamental tasks." He pointed out: "It is necessary to accelerate the pace of legislation of economic laws, and the standing committee of the provincial people's congress will formulate some 20 laws centered on the establishment of a socialist market economic system."

Nanjing Jiangsu People's Radio Network in Mandarin at 2300 GMT on 6 December, in its "Provincial News Hookup" program, carries a 2- minute report on commencement of winter training for party members and cadres in rural areas. The training is centered on three aspects: Studying Volume 3 of the *Selected Works of Deng Xiaoping* and his other works; studying the guidelines of the Decision of the Third Plenary Session of the 14th CPC Central Committee on establishing a socialist market economic structure and of the party's central

conference on rural work; and educating party members and cadres to play their pioneering role in accelerating agricultural development. Chen Huanyou, secretary of the provincial party committee, forwarded relevant demands.

Nanjing Jiangsu People's Radio Network in Mandarin at 2300 GMT on 6 December, in its "Provincial News Hookup" program, carries a 2-minute report on a study class held by the Nanjing Military Region for party secretaries of army units, which closed on 5 December. The class centered on studying thoroughly Volume 3 of the *Selected Works of Deng Xiaoping*. Lt Gen Liu Anyuan, political commissar of the Nanjing Military Region, and Maj Gen Lan Baojing, director of the region, attended. Lan Baojing called for earnest implementation of the guidelines of the Decision of the Third Plenum of the 14th CPC Central Committee and General Secretary Jiang Zemin's important speech on establishing a socialist market economic structure.

Nanjing XINHUA RIBAO in Chinese on 30 November publishes on its front page a 2,700-character report on a one-week study class for leading cadres of cities and departments to study and discuss Volume 3 of the *Selected Works of Deng Xiaoping*, which closed on 29 November. Chen Huanyou, secretary of the provincial party committee, spoke. He said the class was very "fruitful" although its duration was short; and, it was most important that participants understood profoundly the "utmost importance of mastering and applying Deng Xiaoping's theory on building socialism with Chinese characteristics" as well as "studying and implementing the Decision of the Third Plenary Session of the 14th CPC Central Committee" on establishing a socialist market economic structure. He spoke of his experience in studying Volume 3, saying: "To comprehensively and correctly understand Comrade Deng Xiaoping's development concept, especially in developing productive forces, it is necessary to focus on four aspects: Steadfastly upholding economic development as the center; promoting modernization accordance to the three-step plans; seizing opportunities to accelerate development; and finding a faster and more efficient development avenue." Chen Huanyou called for more classes to study and tap the rich contents of the book.

Simpler Version To Be Printed

OW2012142093 Beijing XINHUA Domestic Service in Chinese 0850 GMT 10 Dec 93

[Text] Beijing, 10 Dec (XINHUA)—An easy-to-read book for rural readers to learn the theory of building socialism with Chinese characteristics—compiled by the Propaganda Bureau of the CPC Central Committee Propaganda Department—will soon be published by the Central Party School Publishing House.

The book incorporates, from the beginning to the end, the basic spirit of Volume 3 of the *Selected Works of Deng Xiaoping*. Taking into consideration the situation of reform, opening, and economic construction in the

countryside, the book explains ways to develop a type of agriculture with local characteristics and ways to develop the countryside under the conditions of developing a socialist rural market economy. It discusses major issues in rural work, including comprehensively and profoundly implementing the party's principles and policies for the countryside, opening wider to the outside world, strengthening spiritual civilization in light of rural conditions.

The book is suitable for cadres at all levels engaged in rural work and for large numbers of peasants. It may also be used as teaching material by party schools in counties, townships, and towns.

Article Urges Learning From Non-Marxist Studies

HK2112095493 Beijing RENMIN RIBAO in Chinese 15 Dec 93 p 5

[By Hu Sheng (5170 4939): "Be Good at Learning From Non-Marxist Studies;" "excerpts" from speech by Hu Sheng at the "Theoretical Forum Marking the 100th Birth Anniversary of Mr. Gu Xiegang (7357 7327 0474); place and date not given]

[Text] What is the attitude of Marxism toward non-Marxism in the theoretical circles.

One attitude is that only Marxism is correct and non-Marxism deserves nothing but criticism, opposition, and refutation. This attitude is wrong. The "cultural revolution" carried this attitude to an extreme. Mr. Gu [7357] was not a Marxist, but his work is so valuable that it merits attention from Marxists.

The viewpoints and methodology of Marxism can guide researchers to correct conclusions. But one cannot assume that as long as one consciously applies Marxist viewpoints and methodology in one's studies, all the conclusions one draws will be correct; nor can one assume that whoever fails to apply Marxist viewpoints and methodology consciously in his studies is wrong. Neither of these two assumptions is true. The mistake of the first assumption is proved by the fact that many famous Marxists did make mistakes; the mistake of the second assumption is also proved by a fact, that is, the founders of Marxism did not create their ideological system out of nothing and, instead, they accepted many correct ideas and useful ideological information from their predecessors, who were not Marxists. If non-Marxist theoretical works were nothing but a pile of mistakes, it would appear as if Marxist theoretical workers could do without reading any non-Marxist works at all. Not to read any books that are not written by sages is not a Marxist attitude. What Marx read were certainly not Marxist books. If Lenin had only read Marxist books, he would not have been able to write his theory on imperialism. If today's Marxists do not read non-Marxist books, they will not be able to conduct research on contemporary capitalism. Marxism has

often drawn useful things from non-Marxism. For example, the notion of "tertiary industry" was not invented by Marxists.

Therefore, Marxism should adopt an analytical and critical attitude toward non-Marxism, assimilating the useful things from it and negating valueless things in it. It is incorrect to make a sweeping negation or to negate it without assimilating anything from it. In fact, it is right to say that negation is for the purpose of assimilation and, in a sense, assimilation is more important than negation.

It is now commonsense that socialism cannot be built on flat ground. It is imperative to assimilate the entirety of the culture created by mankind so far, including that of the capitalist society (which is in the highest stage of class society). In order for Marxist philosophical social sciences to develop, they must learn from all non-Marxist theoretical legacies and the non-Marxist theories of the contemporary world, of course in a critical and analytical way. I think one may say that socialism would be impossible to build if we do not learn from the experiences of all countries in the world in their economic, political, and social development, and that Marxist philosophical social sciences will not gain development if we are not good at accepting non-Marxist theoretical legacies and learning from non-Marxist philosophical social sciences.

Plan To Educate 'Rural Girls' 'Successful'

OW2112110093 Beijing XINHUA in English 0824
GMT 21 Dec 93

[Text] Lanzhou, December 21 (XINHUA)—China's ambitious plan to make basic education available to more girls in the countryside has proved successful in two inland provinces and one autonomous region, but problems remain.

An experimental program for education of rural girls, inaugurated in 1992, has been carried out in the past two years in landlocked Gansu and Qinghai Provinces and the Ningxia Hui Autonomous Region in northwest China, one of the country's most underdeveloped regions.

As a result of the program, the proportion of girl students in the 32 rural primary schools singled out for the experiment has increased by an average level of around six percent.

The experiment has helped cut the drop-out rate to less than 10 percent for girl students in those schools.

The initial success of the program has aroused the interest of officials and experts in the United Nations Educational, Scientific, and Cultural Organization and the United Nations Children's Fund.

In a report based on a tour of the experimental schools, those officials and experts claimed that China's experience in the field of education for rural girls may benefit countries and regions that have conditions similar to those of China.

Many experts say the top difficulty in popularizing basic education in developing countries lies in making education accessible to all eligible girls in the countryside.

China, the largest developing country with a population of about one quarter of the world's total, is wrestling with the problem, as more than 80 percent of its some 1.2 billion people live in the countryside.

Some scholars consider the success of China's strategy to popularize nine-year compulsory education and eradicate illiteracy among young and middle-aged people, to some extent, hinges on whether education can reach out to girls in the country's vast rural areas, especially areas inhabited by minority nationalities, border areas and poverty-stricken areas.

Top problems complicating providing basic education to rural girls include lack of teaching facilities, remoteness of schools, low income and parents' bias against female children.

In the vast countryside, a lot of parents are still shackled by an outdated belief in the proverb "married daughter, spilt water", meaning daughters are born for the benefit of others as they cannot carry on the family line.

Despite the efforts of government organs at all levels and progress made in recent years, girls are still regarded as inferior to boys in the countryside. As a result, girls have fewer opportunities for education.

Statistics released by concerned state departments show that girls account for 68.08 percent of the nation's 2.084 million out-of-school children. Two in three of the 180 million illiterates nationwide are females.

In the spring of 1992, the Chinese government chose the underdeveloped Gansu and Qinghai provinces and the Ningxia Hui autonomous region as pioneers to conduct research on female education, a program listed as a key scientific project in the state's eighth five-year plan, which runs from 1991 to 1995.

To ensure the success of the program, the three localities made a comprehensive study of girls' education in Thailand, India, Bangladesh, Pakistan, Nepal and Papua New Guinea.

Officials eventually concluded that a better social and family education environment should be nurtured for rural girls in China.

They called for support from local education, justice, publicity and religious organizations, and from the Women's Federation and Youth League.

The three provinces also set up training centers and Sunday schools for parents.

Various types of schools and courses have been established to provide more educational opportunities for girls, such as half-day and night schools.

To proceed from local conditions, the experimental schools offer courses that immediately enable students to use what they learn in practice, such as courses on knitting, embroidery, tailoring, fruit tree planting, animal and bird raising and cooking.

Experts say the two-year program has been worthwhile, as education for rural girls in these areas has embarked on the right track.

Military

Zhang Wannian on Military Production, Business

HK2012151593 Beijing RENMIN RIBAO in Chinese
10 Dec 93 p 3

[Dispatch by reporter Guo Jia (6753 0857): "Zhang Wannian Calls on Various Leading Military Organs to Take Overall Situation Into Account, Set Example of Observing Discipline"]

[Text] Beijing, 9 Dec (RENMIN RIBAO)—At the General Staff Headquarters' conference on production and business held today, Zhang Wannian, member of the Central Military Commission (CMC) and chief of General Staff, called on units under the General Staff Headquarters to earnestly carry out the guidelines on production and business laid down by the CMC and to correctly handle the relationship between partial and overall and short-term and long-term interests. He also called on leading cadres to take the overall situation into account and set examples of abiding by discipline.

Zhang Wannian pointed out: In peacetime, military training is the Army's regular, central task, because this is an important way of enhancing the Army's combat effectiveness. Production and management, in essence, are not fundamental tasks assigned to armed forces by the society. Over the last few years, the Army has managed to make up for the deficiency in military spending, ensure normal military training and operations against war, and improve its own material conditions by engaging in production and business, but such a practice also gave rise to some problems.

He added: To set up a socialist market economic structure calls for a favorable internal and external environments. Our decision to straighten things out in our production and business is designed to promote what is beneficial and abolish what is harmful and to raise quality and efficiency so that they will be subject to and serve the country's economic construction as well as meet the needs of the development of a socialist market economy and of modernization of the Army.

He continued: The CMC clearly demanded that the "three general departments set an example" in the campaign to straighten out problems in production and business. How the General Staff Headquarters, as the Army's leading organ, will acquit itself will have a great impact on the whole army. To set an example, the most fundamental and important thing to do is to set the example of abiding by discipline. Leading cadres play a key role in enforcing discipline. Leaders and competent authorities at all levels must take a lead in carrying out relevant policies and regulations. They must also go down to the grass-roots units to carry out inspections and solve any problems in time to ensure the campaign will proceed smoothly, thus preserving the good image of the people's army.

Army Officer on Serving Economic Construction

HK2012010093 Beijing RENMIN RIBAO in Chinese
12 Dec 93 p 3

[("Leading Cadres Study the *Selected Works of Deng Xiaoping*" column by staff reporter Li Chenghua (2621 2052 5478): "The Army Must Serve the Overall Interests of National Construction—an Interview With Lieutenant General Gu Shanqing, Political Commissar of the Beijing Military Region")]

[Text] I was told that Lieutenant General Gu Shanqing, political commissar of the Beijing Military Region, "moved one step ahead of others" in studying Volume 3 of the *Selected Works of Deng Xiaoping* in the theory study class for principal provincial-level leading cadres run by the central authorities.

One afternoon, this reporter visited the Beijing Military Region and interviewed the general.

We spoke inside Comrade Gu Shanqing's office. He first asked me: "What do you want to discuss? To be frank, in the theory study class, all comrades read Volume 3 of the *Selected Works of Deng Xiaoping* from cover to cover, related it to reality, pondered many issues, and learned a lot. I am no exception, and I also learned a lot. If you want me to talk all about what I have learned, I do think we will have enough time even if we talk the whole afternoon." I said: "Then would you please tell me about your understanding of Comrade Deng Xiaoping's thought on army building in the new period after studying Volume 3 of the *Selected Works of Deng Xiaoping*?"

Comrade Gu Shanqing nodded and smiled, but he said: "Your question is too general. To discuss Comrade Xiaoping's thought on army building in the new period, it is not enough to just mention Volume 3 of the *Selected Works of Deng Xiaoping*, since many articles in Volume 2 of the *Selected Works of Deng Xiaoping* also mentioned the Army's work and also give expression to Comrade Xiaoping's thought on army building in the new period. I should say that Comrade Xiaoping's thought on army building in the new period has substantial content. I think that there are at least six important aspects in this

theory: First, it is necessary to maintain the party's absolute leadership over the Army. Second, national defense construction should be subordinate to the overall interests of national construction, and the Army should actively support local economic construction. Third, the Army's work should be focused on modernization in order to enhance the troops' combat effectiveness. Fourth, priority should be given to quality in army building, and the troops in active service should be trained better. Fifth, military training should be aimed at fighting modern wars under high-tech conditions. Sixth, the troops should be managed through the strict enforcement of discipline."

I interrupted his speech and asked: "As you said, Comrade Deng Xiaoping's thought on army building in the new period has substantial content. After study Volume 3 of the *Selected Works of Deng Xiaoping*, what is the point on which you have the deepest feeling?"

Comrade Gu Shanqing answered: "The point on which I have the deepest feeling is that the Army should obey the party's instructions and should serve the overall interests of national construction."

I then asked him to talk about his feeling on the point that "the Army should serve the overall interests of national construction." Comrade Gu Shanqing said: "This is a scientific policy decision made by Comrade Xiaoping on the basis of his correct analysis of the domestic and international situation, and is also an important guiding principle for army building in the new period. Comrade Xiaoping pointed out: 'If the economy is first boosted, everything else may be handled easily. At present, we must be resolved and firm in boosting the economy, and this is the primary task. Everything else should serve the purpose of fulfilling the primary task.' According to my understanding, the primary task of national construction is economic construction. Then why should the Army serve the needs of economic construction? This is because the party's basic line specifies that economic construction represents the focus of our work in all fields. There can only be one focus, and the focus is also representative of the overall interests of the nation. Everything else should be subordinate to the primary task, and should be arranged according to the needs of the primary task. In addition, to realize the modernization of national defense, the equipment of the armed forces should be actually modernized, and this is possible only when a solid foundation has been laid in our national economy. There is a dialectical relationship between national defense construction and national economic construction, but the two things do not advance side by side. Economic construction should be first advanced. Only thus will there be adequate financial and material resources for modernize national defense. This point is plain and self-evident, and people can easily understand it."

When he took up a cup to drink water, I asked: "Concretely, what should the Army do in order to serve the general interests of national economic construction?"

He answered: "In this regard, a good deal of work should be done. I think that we should mainly do three things well. First, officers and men, especially leading cadres at all levels, should be properly educated so that they can carry forward the fine tradition of hard struggle that the People's Army has maintained. That is to say, the troops should, as Comrade Xiaoping demanded, endure all hardships and concentrate on military training. Second, the military units should carry out the tasks of fighting disasters and rescuing people's lives and property. At the same time, they should also actively support key construction projects in the areas they are stationed. Third, we should do a good job in training qualified and competent personnel with both military and civilian skills. The work in this connection is beneficial to the nation, to the Army, and to the people. As a popular saying goes, the barracks are permanent, but the troops are always changing. That is to say, most soldiers will eventually be demobilized and most officers will be transferred to civilian posts. If the Army trains the personnel to master both military and civilian skills, it can supply a large number of qualified and skilled workers to participate in national economic construction."

Comrade Gu Shanqing is an old soldier who joined the Army during the War of Liberation. After the Third Plenary Session of the 11th CPC Central Committee, he was successively appointed to be political commissar of the Hunan Provincial Military District, deputy political commissar of the Guangzhou Military Region, and political commissar of the Chengdu Military Region. He was transferred to the Beijing Military Region and appointed to be its political commissar in late 1992.

He finally said: "The units of the Beijing Military Region have conscientiously subordinated themselves to the primary task of national construction since reform and opening began in our country. They actively support the key construction projects in the areas where they are stationed, and have been making great contributions to the closer relationship with the local governments and the local people. For example, the units stationed in the areas concerned have dispatched a great deal of manpower and materials to the project of channeling water from the Luan He to Tianjin, the project of harnessing the four rivers around Qinhuangdao, and the project of harnessing Beijing's Liangshui He. In 1992 alone, the units of the Beijing Military Region contributed 4.92 million man-days and dispatched 150,000 vehicles and machines to support the key construction projects of the state. In the future, we shall, as usual, continue to serve the primary task of national construction and continue to actively support local economic construction."

PLA Urges 'Reinforcing Grass-Roots' Mass Work
HK2112052193 Beijing JIEFANGJUN BAO in Chinese
10 Dec 93 p 1

[By Zheng Qun (6774 5028): "PLA General Political Department Issues a Document, Calling for Reinforcing Grass-Roots Mass Work"]

[Text] The General Political Department recently issued a document entitled "Opinion on Reinforcing the Army's Grass-Roots Mass Work," requiring that all units of the whole Army carry forward the fine tradition of supporting the government and loving the people, make great efforts to improve grass-roots mass work, and consolidate the unity between the Army and the government and between the Army and the people, thus providing effective guarantees for the modernization of the nation and the Army.

The document explicitly specifies the guiding principles and the work rules for, as well as the basic content and the organizational methods of, grass-roots mass work. It stresses that the Army's grass-roots mass work is an important aspect of the Army's political work and a fundamental link in the Army's efforts to consolidate the unity between military units and local governments and between troops and civilians. Political organs at all levels and grass-roots party branches should fully understand the importance of grass-roots mass work in safeguarding the nation's stability and unity and in promoting Army building, and should conscientiously solve the existing problems and improve grass-roots mass work.

The document points out: When handling grass-roots mass work under the new situation, troops should, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the spirit of the 14th party congress, conscientiously carry out the instructions of the party Central Committee, the State Council, and the Central Military Commission on reinforcing the unity between the Army and the government and between the Army and the people, truly perfect the organizations and the rules, carry out frequent and regular activities, maintain harmonious relations, and continuously consolidate and develop the good situation in which military units and local governments, troops and civilians share weal and woe and link their hearts together. It is necessary to conduct in-depth education for troops and help them better understand the need to support local governments and love the people. The activities of jointly promoting socialist spiritual civilization should be advanced more effectively between troops and local people. Military units should take an active part in local economic construction, offer support to local economic construction, abide by the relevant policies and regulations and observe mass discipline in an exemplary way, and properly ensure the effectiveness of grass-roots mass work. Effective and positive measures should be adopted to prevent disputes between troops and civilians; and if such disputes occur, they should be properly settled. Efforts should mainly be made to prevent disputes. The method of building fixed links between military units and civilian communities should be used continuously. Regular inspections should be carried out to see whether troops are observing mass discipline. Effective rules for reviewing the situation and commanding those doing a good job should be maintained and carried out, thus guaranteeing the unfolding of grass-roots mass work. Leaders at all levels should

often go deep into the reality of the work, carry out investigations and studies, analyze typical cases, sum up work experience, give more effective guidance, and make new creations and developments in the grass-roots mass work.

Publisher Issues High Technology Warfare Books
HK2112060293 Beijing JIEFANGJUN BAO in Chinese
6 Dec 93 p 3

[By Jiang Wenming (1203 2429 2494): "Study and Anticipate the Enemy Beforehand—Series on Hi-Tech War Has Been Published"]

[Text] Modern wars are advancing in the direction of high technology. This is an inexorable trend of applying modern science and technology in war. New practice in wars and advances in military knowledge by leaps and bounds are both challenges and opportunities for contemporary military personnel. Only by studying and anticipating the enemy in advance can we develop our own strong points to attack the enemy's weaknesses and avoid its advantages, and manipulate the god of war to win victory.

To meet this realistic and pressing demand, the Military Science Publishing House recently published a *Hi-Tech War Series*, consisting of such books as *On Hi-Tech Wars*, *Modern Hi-Tech Wars*, *Modern High Technology in the Military*, *High Science and Technology: Present Situation and Trends*, *Questions and Answers on Knowledge of Hi-Tech Wars*, *Dictionary of Hi-Tech Weaponry*, *High Technology and Air Forces*, and so on.

The above series has made objective expositions, analyses, and appraisals of wars from various aspects and angles, from theory to practice, and from realistic to future conditions, i.e., from the scientific and technological level, experience, requirement, and international environment formed under hi-tech war; from the conditions under which high technology is applied to ground, air, sea, space, and electronic battlefields; from the fundamental tenets, battlefield applications, and operational functions of high technology used in the military area; from hi-tech weaponry used in various forms of operational command, campaigns, tactics, and battlefield engagements; and from the principles, functions, application, and development of various types of hi-tech weaponry. The series has adopted forms of theoretical demonstration, site illustration, questions and answers, and reference books, such as a dictionary, which are profound in theory but easy to understand, with substantial information and a high degree of practicality. In particular, the series has focused its expositions on the issues of battlefield characteristics, troop flexibility, war formations, military command, operational theory, and so on, which officers and men are most concerned about in their research and studies. This will be extremely helpful to the vast numbers of officers and men in understanding the general idea of hi-tech wars.

increasing their knowledge in this aspect, and enhancing their combat capacity under the conditions of waging a hi-tech war.

Troops Airlifted to, From Tibet, Xinjiang

OW1812235093 Beijing XINHUA Domestic Service in Chinese 1151 GMT 18 Dec 93

[By reporter Sun Maoqing (1327 5399 1987)]

[Text] Beijing, 18 Dec (XINHUA)—At about 1400, another large transportation plane carrying a batch of new recruits landed at Tibet's Gongga airport, thereby accomplishing this year's airlift of new recruits and veteran soldiers to and from plateaus in Tibet and Xinjiang.

It has been learned that since 1990 the Air Force has begun to airlift new recruits and veteran soldiers to and from Tibet and Xinjiang. Over the last four years, more than 400 airlifts have been carried out, in transporting tens of thousand soldiers to and from Tibet and Xinjiang.

Using airplanes to transport soldiers to and from Tibet and Xinjiang has greatly shortened traveling time and reduced the dangers to soldiers' health caused by long-distance traveling on trucks as well as by bad weather. This measure expresses the concern of the CPC Central Committee and of the Central Military Commission for frontier troops.

It has been learned that as the country's aviation industry develops, the airlifting of troops to and from Tibet, Xinjiang, and other frontier areas will continue to improve.

Inner Mongolia Sets Requirements for Enlistment

HK1912015193 Beijing FAZHI RIBAO in Chinese
9 Dec 93 p 2

[By reporter Gao Xiufeng (7559 4423 1496) and correspondent Bai Zhanxian (4101 0594 041): "Inner Mongolia Introduces Two-Way Supervision Over Enlistment, Induction of Soldiers"]

[Text] The annual enlistment is about to begin. A few days ago, the Inner Mongolia Autonomous Regional Government and the military district issued a joint circular demanding that localities do a good job in tackling eight major areas in enlistment.

These eight major areas are: 1) Strict controls over the printing of forms and stamps. The "letter approving enlistment of citizens" is printed only by the autonomous regional enlistment office and kept by designated personnel. 2) Tighten physical examination procedures. Physical examinations of recruits must be done in designated hospitals. Physicians who falsify examination results or who intentionally lower medical standards will, upon confirmation, be fired forthwith. 3) In the village-county-banner three-tier political review of new

recruits (villages include gacha; counties include sumu and neighborhood offices; and banners include cities), personnel in charge of political reviews should sign their names and be responsible for the review. 4) Tighten literacy tests. Enlistment offices in leagues and cities, as well as educational departments, have the duty of conducting literacy tests and random quizzes of enlisted youths. The actual organization of such tests, however, should be handled by enlistment offices. Holders of forged diplomas and academic certificates will be held accountable and disqualified. 5) Tighten controls over enlistment quotas. Quotas must be determined by collective study and discussion, in which leaders of troop units charged with inducting recruits must participate. The results must be announced in public notices. Potential recruits who are the target of people's complaints must be investigated promptly, and if grounds of suspicion are established which merit further investigations, these recruits should not be enlisted. 6) No one is allowed to apply for enlistment in places other than his place of origin, whatever the reason. 7) Quotas reserved for rural soldiers should not be diverted for the enlistment of town soldiers. 8) Resolutely stamp out dining and sending gifts.

To ensure the implementation of these eight requirements, supervisory departments at all levels must send their personnel to participate in enlistment work, organize joint inspection groups to conduct clean-government inspections, set up enlistment complaint hotlines and letter boxes, and so on. They should write "clean-government progress reports" on the enlistment and induction workers. There should be two-way supervision and checks. This practice has been confirmed by the Beijing Military Region and is being copied in the north China region.

Heilongjiang Military Secretaries Hold Meeting

SK2012034093 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 19 Dec 93

[Text] On 19 December at Bayi Guesthouse, the Heilongjiang Provincial Military District held a meeting of military subdistrict party committee first secretaries and armed forces responsible persons.

Present at the meeting were provincial party, government, and army leading comrades, including Sun Weiben, Shao Qihui, Tian Fengshan, Shan Rongfan, Chen Yunlin, Yu Jingchang, and Wang Guiqin.

Yu Jingchang, standing committee member of the provincial party committee and political commissar of the provincial military district, pointed out in his speech that we should realistically maintain the stability of the grass-roots armed forces; conscientiously attend to the organizational, political, and military construction of the grass-roots militia reserve service forces; and bring into full play the functional roles of the military departments.

Sun Weiben, secretary of the provincial party committee and first secretary of the party committee of the provincial military district, made a speech. He said: First secretaries should assume primary responsibility, define the fundamental task that the party manages the armed forces in the new situation, attend to the political construction and the building of leading bodies and the grass-roots organizations, and ceaselessly upgrade the leadership over the militia reserve service work.

Economic & Agricultural

Li Lanqing Inscribes New Economic Publication

OW2012230393 Nanjing XINHUA RIBAO in Chinese
26 Nov 93 p 1

[“JINGMAO DAOBAO To Start Publication on 1994 New Year's Day”]

[Text] JINGMAO DAOBAO [ECONOMIC AND TRADE HERALD 4842 6319 1418 1032], which is jointly sponsored by the Jiangsu Provincial Foreign Economic Relations and Trade Commission and the Jiangsu Provincial Journalists' Association, will start publication on 1994 New Year's Day. Li Lanqing, vice premier of the State Council, inscribed the paper's title.

JINGMAO DAOBAO is a comprehensive paper that mainly carries domestic and foreign economic and trade news. Under the guidance of the party's socialist market economic theory, it will concentrate on publicizing the party and government's principles and policies on developing an export-oriented economy, explore much-discussed topics and difficulties arising from developing an export-oriented economy, study economic trends and the state of development at home and abroad, and introduce the market situations, as well as the economic and trade policies, laws, and regulations, of other countries. This paper will also help in the exchange of advanced management expertise and various advanced personnel in export and import enterprises, wholly or partly foreign-owned enterprises, and overseas enterprises. It will provide information for industrial, commercial, economic, and trade enterprises on international bidding, technological transfer, trade opportunities, the export of labor services, and commodity supply and demand. Moreover, the paper will offer consultation service in trade development, the utilization of foreign capital, and the introduction of technology; answer questions on specific policies, laws, and regulations concerning foreign economic relations and trade; and popularize economic and trade knowledge. Focusing on Jiangsu and keeping the entire country in view, JINGMAO DAOBAO will publicize the diverse form of economic activities and trade and serve all segments of society. The paper will be published on four pages in folio twice a week (on Wednesdays and Saturdays).

Wen Jiabao on 'Quicken'ing' Economic Development

OW1812163393 Beijing XINHUA in English 1445
GMT 18 Dec 93

[Text] Nanjing, December 18 (XINHUA)—A top Chinese leader today called for quickening the pace of economic development in grain- and cotton-producing areas.

Wen Jiabao, alternate member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), made this remark while touring some counties of Huaiyin City in east China's Jiangsu Province.

Wen noted that deepening the rural reform and developing the rural economy constitutes the basis of a sound, fast and sustained development of the national economy and smooth progress of the reform and opening to the outside world.

He said great attention should be paid to promoting the economic development of the grain- and cotton-growing areas and ensuring stable growth of grain and cotton production, in the course of establishing a socialist market economic structure.

Wen, also a member of the secretariat of the Central Committee of the CPC, said that China's rural reform, from its very beginning, has been market-oriented.

The main characteristics of rural reform, he said, are that the farmers were granted decision-making power over production management and that agriculture and the rural economy were opened to the market.

He said that this was, in essence, a great success in establishing the socialist market economic structure in China's rural areas.

He said that, currently, redoubled efforts should be made to further optimize rural economic resource distribution and rational mobilization of productive forces, on the basis of the household contract responsibility system.

He added that emphasis should be placed on developing the rural market and enlivening rural circulation so as to integrate the small-scale, dispersed production into a unified market.

He also said that the guidance, support, protection and macro control of the central and local governments must be strengthened to build a sound social service system.

Wen pointed out that to create a favorable economic and stabilized social environment for China's reform, attention should be given to the rural work, the fundamental status of agriculture must be enhanced and efforts must be made to maintain a sustained growth of grain and cotton production and to meet the demand of the market for farm and sideline products.

In talking about successive local grain harvests and the problem of low incomes for local farmers, Wen said that forceful measures should be taken to accelerate the economic development in these areas.

First, he said, the comparative returns on grain and cotton production should be raised by readjusting relatively low prices.

The second step, he said, is to reasonably restructure rural industries, while ensuring the growth of grain and cotton production.

He said that major efforts should be made to promote a diversified economy and to develop township industries—the breeding and processing of sideline products in particular.

Finally, a considerably large sum of money should be pooled by governments at all levels to promote the economic development of the grain- and cotton-growing areas.

Wen stressed that the key to speeding up the development of these areas is to choose a good leading body. And the Communist Party members and the cadres in grassroots units should not only take the lead in achieving prosperity, but also lead the broad masses to obtain common prosperity.

From December 13 to 18, Wen made an investigation into local rural production and its conditions, visited farmers' homes and had a discussion with the local leaders on problems in current rural reform and development.

Report Warns of Post-Deng 'Economic Collapse'
HK2012100693 Hong Kong LIEN HO PAO in Chinese
19 Dec 93 p 8

[By reporter Li Chun (2621 2504): "Research Report by a Member of the China Academy of Sciences National Conditions Analysis Group and a Yale University Assistant Professor Warns of Possibility of Economic Collapse and State Disintegration After Deng's Death"]

[Text] It seems an indisputable fact that the "central authorities are weak while the local authorities are strong" in the mainland. A mainland report on national conditions predicts that once the powerful political figures of the central authorities such as Deng Xiaoping pass away, a condition not unlike Yugoslavia after Tito's death may emerge on the mainland—moving from economic collapse toward a political split and ultimately leading to the disintegration of the country.

The report states that, along with the decentralization of power, the conflicts of interests between the central and local authorities and the clashes among localities have further weakened the state's capability to absorb financial resources so that the abovementioned worst-case scenario may come true in a few years' time or, at most, within a dozen years.

Hu Angang, member of the Chinese Academy of Sciences National Condition Analysis Group, and Wang Shao-kuang, assistant professor in the Politics Department of Yale University, have dared to make this bold prediction. They have jointly completed a research report entitled "On China's National Capabilities."

In the report, the authors discuss and analyze the long-term impact of economic reform on the changes in the state's capabilities and the ways of establishing a stable and standardized relationship between the central and local authorities in the mainland.

The report holds that mainland China is a socialist country controlled by a political party in a highly unified and centralized way. However, the state apparatus is not an iron plate and the extreme decentralization of the economic decisionmaking power has resulted in the extreme limitation of the central government's controlling power over the local governments at various levels. Moreover, the local governments have formed their main bodies of economic interests independent of the central authorities, have overexpanded their financial resources, have overly large power, and have excessively interfered in economic activities.

The report points out: So far, there has not been a single political party or social organization which has dared to challenge the Communist Party and the state authority in mainland China. The threats, therefore, come from some constantly growing local governments with more self-interests, self-awareness, and power of autonomy inside the Communist Party and the state apparatus. The financial resources of the central authorities are extremely limited and the authoritarianism of the central leaders has been weakened accordingly. In coping with the challenges from the local governments in the areas of economic interest and administrative power, the only means that the central authorities possess is to frequently change or transfer local leaders.

The report further points out: It is impossible to check and change the tendency to decline in the state's capabilities by relying on traditional administrative fiats rather than relying on a sound political system and stable financial relationship. The sharp decline in the state's capabilities, in turn, will accelerate the diversified economic and political patterns on the mainland. This will become a major hidden trouble for future development.

How can we remove this hidden trouble? The recipe prescribed by the report is to augment the state's capability of absorbing financial resources, because the financial structure is the foundation of the state's economic structure and financial distribution is the concentrated reflection of the interests, contradictions, and conflicts of various political forces. Hence, the economic structure is the instrument which transforms economic interests into political interests.

The report maintains that there are serious drawbacks in the existing financial structure, such as the inflexibility of income growth, the considerably decentralized state of

financial revenue and expenditure, and the extremely chaotic tax system. As a result, investment and consumption have been sharply overexpanded, the economy has undergone periodic fluctuations, the state finance has shown deficits for many years running, the central ability to regulate and control has declined, and an economy of feudal princes (zhu hou jing ji 6175 0186 4842 3444) has been formed.

Under these circumstances, it is necessary for the central government to: Establish a mixed structure combining the centralization of authority with decentralization in localities; give the power of participating in policy-making to localities in exchange for financial power; adopt a revenue-sharing system to enhance the central government's ability to utilize financial resources and unify tax regulations and tax rates; and readjust the government's operational structure in collecting and using financial revenue, thus restructuring the political and economic systems that will be suited to modern society.

This report on national conditions first aroused the attention of Liu Zhongli, minister of finance, and was later highly appreciated by senior central officials. The reform plan which will be introduced next year has, to a great extent, taken the proposals in the report as references. However, there are still controversies in economic circles.

'Pen Talk' on Socialist Market Economy System
HK2012110093 Beijing GUANGMING RIBAO in Chinese 30 Nov 93 p 3

[“‘Pen Talk’ on Socialist Market Economy System” by Zhang Zhuoyuan (1728 0587 0337): “Establish a Unified and Open Market System”]

[Text] A unified, open, competitive, and orderly market system is the foundation for the normal movement of the socialist market economy. In essence, China's economic structural reform is aimed at developing commodity-market relations and expanding the role of market mechanism so that major productive elements can automatically flow to those trades and enterprises with better economic returns, in accordance with the law of value and in light of the changes in supply and demand relations and so that the purpose of optimizing resources allocation throughout the entire society can be reached.

In order to cultivate and develop a market system, it is necessary to establish a relatively rational and perfected market structure and develop all kinds of markets in a coordinated way. It is necessary to: Develop a commodity market while developing a market for the basic means of production; allow the domestic market to flourish while opening up international markets; develop the spot market while gradually establishing a futures market; develop a visible market while developing the invisible market; and to establish a bidding and auction market.

Further Develop a Commodity Market

In China, the commodity market mainly includes a consumer goods market for daily life, a capital goods market, a service market, and a market for special products.

China's commodity market is developing in the wake of economic structural reform and reform of the commodity circulation structure. It has developed from a country fair market to a professional market, a wholesale market, and even a capital goods market, indicating great development.

In accordance with the spirit of the “Decision” adopted by the Third Plenary Session of the 14th CPC Central Committee, it is necessary to mainly pay attention to the following points in the future when the commodity market is being further developed:

1. It is first necessary to develop and run the spot market properly in light of the needs of developing the market economy and, based on this, run the futures market on a trial basis. In the spot market, the main job is to develop the wholesale market. When the market is run properly it will be possible to improve market organization and establish a relatively perfected commodity market system. At present, the development of the commodity market is uneven and the development of the capital goods market is comparatively lagging. Therefore, development of this market should become the focus of the development of future commodity markets.

2. It is necessary to make continuous efforts to reform the state-owned circulation enterprises, change their operational mechanism, and encourage them to take an active part in market competition so that they can increase their economic returns and play a leading role in the course of perfecting and developing the wholesale market. The large and medium state-owned circulation enterprises can be reorganized by introducing the company system. The relationship between ownership and management should be straightened out and government administration and enterprise management should be separated so that the enterprises can operate independently and assume sole responsibility for their profits and losses.

3. It is necessary to establish a market network in light of the needs of commodity circulation. The market network is perfect in function and is characterized by the combination of large, medium, and small markets and the coexistence of various economic sectors and operational forms, so that the layout and structure, as well as the degree of organization of the markets, can match the demands of the development of modern market economy.

Give Priority to Development of the Market For the Basic Means of Production

First, it is necessary to develop and perfect the financial market, including the capital and money markets, with priority being given to the accommodation of funds by banking institutions.

The key to optimizing the allocation of resources lies in the establishment of a perfect capital market and an increase in the capital utility rate. In the capital market, there are both direct and indirect forms of accommodating funds. In China, priority will be given to the latter in the near future and, at the same time, positive efforts will be made to develop various forms of direct accommodation of funds. It is necessary to continuously, actively, and steadily develop the form of fund accommodation through bonds and shares. It is necessary to establish an appraisal system for the bond issuing organs and bonds to ensure a healthy development of the securities market. It is also necessary to standardize the issuing of shares and gradually expand the scale of the stock market.

In China, the money market has developed to a considerable scale. It is necessary to break regional boundaries, standardize market management, and develop regular loans between institutions in the same trade so that a nationwide and unified market of loans between banking institutions can be established on the basis of the existing regional loans markets. It is also necessary to develop bill acceptance and mortgage businesses and further develop short-term treasury bond markets.

To develop the financial market it is necessary to marketize the interest rates. The main thing for the central bank to do is to regulate the interest rates in the market by means of the basic and standard interest rates so that a basic balance can be maintained between supply and demand of funds.

At present, the main problem in cultivating the financial market is irregularity and disorder. All kinds of fund-raising and accommodating activities, which violate laws and regulations, have appeared. They should be resolutely curbed and corrected.

Second, it is necessary to reform the labor and employment system and gradually establish a labor market. Our sufficiency of labor forces is an advantage in economic development but, at the same time, there is also the pressure of employment. Therefore, it is necessary to proceed from exploiting and rationally allocating human resources to develop the labor market. It is necessary to create more employment opportunities and vigorously develop the tertiary industry so that more laborers in towns and cities can find jobs. It is necessary to change the mechanism for the formation of wages. The state will no longer play the role as the main body of employment and distribution. Wages will be mainly decided by the labor productivity and the relations between supply and demand in the labor market and labor will be rewarded by money. It is necessary to encourage and guide the

surplus laborers in rural areas to shift to nonagricultural production and flow among various regions in an orderly way. It is necessary to develop diverse forms of employment and use economic means to regulate the structure of employment, so that an employment mechanism characterized by the two-way election of both the employer's units and the laborers and the rational flow of laborers can be established, together with diverse forms of labor markets.

Third, it is necessary to standardize and develop the real estate market.

It is necessary to further carry out the system of compensated use of land within a definite time and develop the land market. In the city's market system, the state monopolizes the Grade-A market while opening the Grade-B market. The current problem is there is still no mechanism for the formation of a market of land use rights. In future, the selling and transfer of commercial land use rights should be done through bidding or auction so that both competitiveness and transparency can be increased. Judged from a long-term point of view, it is necessary to establish a "price announcement" system to guide and standardize land price operations and serve as the standard for tax levy over the use of land. By collecting real estate business tax, profit tax, and appreciation tax, the losses to the state in the transfer and transaction of land use rights can be prevented. It is necessary to take strong measures against illegal speculation in land selling and buying and the practice of driving up land prices to seek exorbitant profits and prevent funds from overflowing into the land market so that the cultivated land can be effectively protected.

It is necessary to speed up reform of the housing system in cities and towns and promote the development of commercialization and the construction of dwelling houses. The vast numbers of residents should be allowed to enter the housing market.

Moreover, it is necessary to further develop the technology and information market. Complete and perfect laws and regulations should be formulated to protect the intellectual property rights and the compensated transfer of technological achievements. Developing an information market is an inherent demand in establishing a developed and mature market system. In future, technological, information, and consultation service businesses should be operated in the way enterprises are operated. Their services should be socialized and their products commercialized.

Besides, it is also necessary to vigorously develop the property rights market and other professional markets. **Vigorously Develop Intermediary Organizations For the Market** [subhead]

The market intermediary organizations should play the roles of service, communication, notarization, and supervision.

In the wake of changing government functions and developing a socialist market economy, it is necessary to develop large numbers of intermediary organizations in the market, especially those serving market economic activities. The more frequent the transactional activities in the market and the more professional and technical the operations are, the more it is necessary to establish and develop the intermediary organizations to serve the main market activities and promote their development in an orderly way.

At present, the main intermediary organizations to be vigorously developed are: The self-disciplinary organizations, such as all kinds of trade associations and commercial chambers, for harmonizing and conditioning various enterprises and personnel from all trades and professions who are participating in market activities; all kinds of brokers' companies, pawnshops, and auction companies; the accountants, auditors, and lawyers' offices, which are established to ensure fair transactions and competition; the price valuation organs, especially the land price valuation organs; the research, consultation, and information service organs for promoting market development; the price reporting systems, account settling centers, materials allocation and delivery centers, and warehouses; the arbitration organs for mediating disputes in the market; the measuring and calculation, quality inspection, production inspection, and other production service organs which serve market supervisory activities; a series of intermediary circulation organizations for developing the rural markets and enabling the scattered peasants to enter the market, such

Generally speaking, the intermediary organs in the market are voluntarily organized by the enterprises from a lower to a higher level. Their main functions are: To provide their member enterprises with information, consultation, legal, and commercial services and help them train professional personnel; to find channels for international contacts and to mediate commercial disputes on behalf of the member enterprises to protect their personal interests; to work out trade rules and pledges in accordance with market regulations; to enable the collectives to carry out self-restraint in their conduct; to supervise market transactional activities and oppose unfair competition so that normal production and marketing orders can be insured, the quality standards of the state can be conscientiously observed, and unfair competition and the practice of ganging up to monopolize prices and market division can be prevented; to promote relations between enterprises and government so that all kinds of trade associations and guilds can become organizations for self-regulating and maintaining the order of market competition rather than monopoly forces in the various trades.

In the course of establishing and developing a market system, it is especially necessary to attach importance to improving and strengthening market management and supervision.

There must be laws and regulations to abide by in market management and supervision. In order to ensure that market activities are carried out in an orderly manner, maintain the normal operation of market, and ensure a healthy development of the market economy, it is necessary to work out a series of perfect market laws and regulations, together with having authoritative market law enforcement and supervisory organs.

Nation Maintains 'Fast Economic Growth' in Nov

OW1712112193 Beijing XINHUA in English 1058
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—China continued to register fast economic growth in November, with industrial production rising steadily, the State Statistics Bureau (SSB) announced here today.

Data from the SSB show that industrial production, which had suffered from a relatively low growth rate during the previous four months, went up last month. Total industrial output reached 310.1 billion yuan (about 53 billion U.S. dollars) in November, up 18.9 percent over the same month last year.

As production climbed, sales of industrial products also rose last month to hit 96.25 percent, the highest rate for this year.

According to the SSB, China enjoyed a bustling market last month. Total turnover in retail sales registered 119.6 billion yuan in November, 30 percent more than same month last year.

Meanwhile, the volume of imports and exports continued on the upswing last month, hitting 18.5 billion dollars, or 14.4 percent over that of same month in 1992.

A breakdown of the figures indicate that imports grew 25.1 percent last month, while exports rose about five percent.

As a result of the macro-economic control measures, China's fiscal and financial situation improved in November. Investment in fixed assets fell, according to SSB officials.

However, the officials pointed out, problems such as a high inflation rate and low economic efficiency, which threaten to choke steady economic growth, have yet to be solved.

The latest SSB statistics show that the inflation rate in China's 35 major cities was nearly 20 percent in November.

To pave the way for fast and healthy economic growth, experts from the bureau suggested, China should rationalize the existing investment structure and channel funds into such weak links as infrastructure. Reforms, especially those aimed at raising productivity in enterprises, should be deepened.

China reported a 13.3-percent economic growth rate in the first three quarters of this year.

Bank Playing 'Active' Three Gorges Project Role

OW1912032493 Beijing XINHUA in English 0141
GMT 19 Dec 93

[Text] Yichang, December 19 (XINHUA)—The People's Construction Bank of China, one of China's four specialized banks, is playing an active role in supporting the building of a gigantic dam at the Three Gorges on the middle reaches of the Chang Jiang.

Since October 1992, when the bank set up an office specially for the project, it has provided it with 1.88 billion yuan in loans, ensuring that there are enough funds for the preparatory construction work and related resettlement affairs.

The office is also involved in assessing tenders for contracting sub-projects, contract negotiations and the examination of budgetary estimates, to make sure that state funds are utilized with the maximum efficiency.

The office has also assigned special people to attend to the undertakers of the 47 ongoing construction items related to the dam.

At the same time, it is in contact with a large number of financial consortiums and foreign banks, with the purpose of seeking more overseas investment for the huge project.

Specialist on 'New Round' of Financial Reforms

HK1712070493 Beijing LIAOWANG in Chinese No 49,
6 Dec 93 pp 6, 7

[“Special article” by staff reporter: “The Targets and Contents of the New Round of Financial Reforms—Notes on an Interview With Financial Specialist Qin Chijiang”; first paragraph is LIAOWANG’s editor’s note.]

[Text] In summing up the process and experience of financial reforms over the last 14 years, if we say that the general reform ideas in the past were conceived, explored, and developed along the road of “delegating power to lower levels and letting them retain a proportion of profits” and “controlling the economy at a macro level while revitalizing it at a micro level,” so that it was difficult to avoid bringing about a number of drawbacks and a great many contradictions in practice as well as some specks of the planned economy in the reform contents, then, in the new high tide of reform, it is necessary for the general reform ideas to firmly strike the root in the foundation of the market economy. Reform is therefore aimed at achieving the transition to a market economic structure. This can be called a major turn in the basic ideas and basic targets of the financial restructuring.

“The general targets of the new round of financial reforms consist of the institution of a central bank system, which can implement monetary policies independently under the leadership of the State Council; the institution of a financial organizational system led by the central bank, primarily formed by state-owned commercial banks, and closely coordinated by financial institutions of various kinds; and the establishment of a unified and open financial market with orderly competition and strict management.” The above remarks were made by Qin Chijiang, director of the Financial Research Institute of the People’s Bank of China, who all at once sketched the blueprint of the new round of financial reforms. The primary substance of this blueprint covers the following aspects:

Establish a Powerful Regulation and Control System for the Central Bank So That the People's Bank of China Will Be a Real Central Bank

At present, some elements of the planned economy still exist in the People's Bank of China, which also carries some vestiges of a commercial bank. Moreover, under the structure of concentrated powers among various departments and local governments, the role of the central bank is restricted and its position weakened to a certain extent. Therefore, radical changes are necessary in terms of the organizational system, functions, means of operation, modes of activities, and operating environment of the central bank so that it will form a central bank system capable of implementing monetary policies independently under the leadership of the State Council.

Set the Targets in Implementing the Central Bank's Policies and Perfect the System of Monetary Policy Implementation

The targets in implementing the central bank's monetary policies are to maintain the stability of the value of the renminbi and, on this premise, to promote economic growth. In order to enhance the central bank's policy implementation ability it will handle policies in a flexible, independent, and selective way in light of the macroeconomic situation.

Establish a Financial Organizational System With State-Owned Commercial Banks as the Main Body

Commercial banks and other financial institutions of a commercial nature are operators of financial markets. They must follow the road of commercial organizations which operate independently, assume sole responsibility for their own profits and losses, take risks by themselves, and exercise self-restraint. The transformation from specialized state banks to commercial banks is a rather complicated, arduous, as well as crucial mission of the new round of reforms. The moves to develop cooperative banks, import foreign banks, and foster various financial service organizations in a planned way are conducive to promoting and replenishing the reform and development of the market system of financial institutions.

Differentiate Policy-Oriented Banking and Commercial Banking and Establish Financial Institutions for Policy Implementation

Policy-oriented banking will be separated from commercial banking so as to solve the contradiction of concentrating multiple duties in the specialized state banks. The proposed long-term credit development bank, import and export bank, and agricultural bank will become specialized financial institutions of a policy-oriented nature. Business such as long-term loans for the country's capital construction, loans that must be protected by state policies, loans that will be granted on favorable terms, and financing for which the state must assume risks will be carried on by these policy banks, and the relationship by which loans granted out of policy considerations are banded together [chuan lian dang ku 4502 6647 5991 5974] with the basic currency of the central bank will be severed from the structure to ensure the initiative of the central bank in regulating and controlling the basic currency.

Establish an Operational Mechanism for Commercial Banks and Run these Banks According to International Customary Practices

We should reform the operational and management mechanisms of commercial banks according to the operational standards laid down in the Basel Accord, practice the management system of proportionate assets and liabilities, enhance the commercial banks' risk control level, augment banks' ability to guard against risks, and stick to the principles of combining safety and liquidity with profit-earning capacity for sound and steady operations.

Manage the Banking Industry According to Its Respective Businesses, Including Banking, Securities, Trust, Insurance, and Others, and Expand and Intensify the Functions of Specialized Banks

Restricted by the degree of market development, organization and management ability, the level of business operation, and the quality of the internal restraining mechanism and of personnel, the banking industry currently still lacks the subjective and objective conditions to become "comprehensive banks." In practice, various types of financial institutions are contending with one another to absorb deposits and extend credit so that they are unable to display the proper functions and effects of specialized banks. If they are administered according to their respective businesses, conditions will be created to enhance the management level, standard, and assets quality of the financial institutions of various kinds in terms of structure.

Expedite Market Construction and Establish a Unified and Open Financial Market With Orderly Competition and Strict Management

The present disorder in the financial markets is not in line with the objective requirements of the market economy. What is more, it has interrupted and undermined market functions. The money market, the capital

market, the foreign exchange market, and the bullion market are component parts indispensable to a market economy. Without these markets, there will not be a mature market economy. Under the present realistic condition of funds shortage, it is all the more pressing to accelerate the development of the money, capital, foreign exchange, and other markets.

Restructure Foreign Exchange Control and Make the Renminbi Freely Convertible as Soon as Possible

With the increasingly extensive and close economic and financial contacts between China and the outside world, the expansion of the scope of import and export trade and the importation of foreign capital, and the greater degree of interdependence among various countries, there is an objective demand for the domestic financial market to be linked with the international market. A freely convertible currency is a prerequisite for the linkage and merger of the two markets. To achieve this change, first, it is necessary for the renminbi to maintain a relatively stable value against other currencies under certain control measures. Second, it is necessary to establish an efficient and fair foreign exchange trading market and form a unitary exchange rate system based on the market exchange rates. Third, it is necessary to make the renminbi freely convertible in a planned manner, and this will be achieved step by step in different categories such as foreign exchange earned through trade, nontrade foreign exchange earnings, and foreign exchange as capital.

Institute a Financial Supervisory System and Accounting System According to International Criteria and Create Conditions for the Internationalization of the Banking Business

We should reform the accounting system according to international criteria and set up powerful financial supervisory organizations to bring financial management into the orbit of the legal system. In particular, we should intensify the supervisory functions and means of the central bank. This is a crucial condition for establishing a financial market structure to ensure the orderly operation of the market.

Expedite the Building of Financial Laws and Regulations

The market economy is an economy managed in accordance with the law. At present, financial laws and regulations have lagged far behind the development of markets. Hence, we should speed up the formulation and perfection of the financial legal system, including the "Law on the Central Bank," the "Law on Commercial Banks," the "Law on Bills," the "Law on Securities Transactions," the "Law on Financial Accounting," the "Law on Insurance," the "Law on Leasing and Trust," the "Law on Cooperative Banks," the "Law on Finance Companies," and so on.

Qin Chijiang said: As viewed from the contents of the new round of financial reforms, our mission is onerous

as well as difficult. The effective fulfillment of the tasks calls for systematic progress, comprehensive coordination, organic combination, and orderly performance. In light of the reform experience and lessons gained during a number of years, reforms in the banking system should be carried out in an organic and coordinated way, and the sudden advance of individual items should be avoided lest gains should be offset by losses. In the entire economic system, the financial reforms should be closely coordinated with the reforms in taxation, planning, the import and export trade, the management of state assets, social insurance, and the labor and personnel system, so that the reform effects as a whole can be achieved.

Shandong Chooses Fund-Raising Over Joint Venture

HK1912075693 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 19 Dec 93 p 1

[By Simon Pritchard and Ivan Tong]

[Text] A ground-breaking power plant deal in Shandong Province has collapsed after the local power bureau walked away from the project at the eleventh hour. Instead of forming a joint venture with foreign investors, the Shandong authorities have apparently opted for a direct flotation of the power project as an alternative means of raising capital.

The proposed joint venture, which had included investors such as Cheung Kong and US giant GE Capital was the result of a partnership between the China Venturetech Investment Corp (CVIC) and US merchant bank Goldman Sachs. The idea was to establish a joint venture company based on the assets of a number of power plants with the power bureau in Shandong as the local shareholder.

Sources said that Dezhou power plant in Shandong, along with Eastern Airline, have been approved for a New York listing. But it is not known whether Dezhou plant is one of the projects under the joint venture between Goldman and the local authorities.

Under the placement deal arranged by CVIC and Goldman to be completed in January, overseas investors would take an equity stake in the joint venture. Sources said that the private placement had been completed with about four Hong Kong listed companies and other international groups.

The collapse of the joint venture came out of the blue with no indication there were material obstacles to its completion. The reasons for the last minute about-face remain unknown at this stage and a spokesman at Goldman refused to comment.

Beijing and local authorities are understood to be getting more cautious about the ways the joint venture projects are being structured.

Sources said that the Shandong power bureau is now looking to make a public listing of the power generating facilities. It was indicated that would probably take the form of a listing on the Shanghai stock exchange although an overseas offering was not ruled out. The decision to take the route of a public flotation may be due to the fact that more capital could be raised.

Hong Kong-based merchant bankers believe China now has more sophisticated means of raising capital than just resorting to forming joint ventures. While converting state enterprises into shareholding structure would be the mainstay of the mainland economy, the stock markets could be an ideal springboard for the goal, they believed.

CVIC chairman Zhang Xiaobin said in March that CVIC and Goldman would jointly launch two China energy funds in Hong Kong by the end of this year. The two funds, the first of their kind, are to focus on investing in power generating projects in Guangdong and eastern Shandong province.

Consumers' Association Recommends 47 Commodities

OW2112124993 Beijing XINHUA in English 1232 GMT 21 Dec 93

[Text] Beijing, December 21 (XINHUA)—The China National Consumers' Association today published a guidebook listing 47 reliable commodities.

According to an official with the association, reliable commodities from 15 provinces and municipalities across the country have been awarded the title of "recommended commodities of 1994".

He said the selection was carried out based on nominations from local consumers' associations and on appraisals by the State Administration for Industry and Commerce, the State Bureau of Technological Supervision and the Chinese Light Industry Association.

Cao Tianzhan, chairman of the association, told reporters at a press conference that the law on protection of consumers' rights, which will come into force at the beginning of next year, empowers the association to guide consumers by providing authentic and detailed commodity information.

The recommendations are aimed at protecting consumers' rights and cracking down on the production and sale of shoddy goods, Cao said.

"We hope to inform consumers about commodities of high-quality and further improved post-sale service," he noted.

He mentioned that the listed commodities have taken the lead in quality and variety of design. Furthermore, their manufacturers have established sound management systems and service networks.

"All of the 47 products have enjoyed a high market reputation in the country," the chairman said.

The validity of the recommendations is one year, when manufacturers are permitted to use the endorsement in design, direction, advertisements and sales promotion activities, Cao said.

The association can annul the endorsements if serious problems in quality are subsequently found.

Commission Regulates Trading in Stock System

OW1712143993 Beijing XINHUA in English 1430
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—The China Securities Regulatory Commission (CSRC) today banned trading in institutionally-held shares of six companies newly listed in the National Electronic System (N.E.T.).

The six companies were all listed by the N.E.T. on Wednesday [15 December] this week without the approval of the CSRC.

According to CSRC Spokesman Zhu Li, penalties on the N.E.T. for its violation of the state regulations are being considered.

In May this year, the State Council suspended the new listings of stocks held by institutional investors, with the explanation that problems existed in the management and trading of such shares.

Stocks issued by a Chinese company are usually held by the state, institutions and private investors, with a proportion of 5:2:3.

For some reason, the state-held shares are barred from transactions and only 18 companies have been listed in the two Beijing-based computerized trading networks specially for transactions of institutionally-held shares, on a trial basis.

Zhu Li admitted that it was not proper to suspend the state and institutionally-held shares from free transactions and that China would gradually ensure "same stocks, same rights".

However, he said, the work is very complicated and CSRC will act prudently on this issue.

CSRC and the State Commission for Restructuring the Economy are working out regulations to guide the transactions of institutionally-held shares.

He reiterated that before the promulgation of the regulations, listing of any institutionally-held shares must first be approved by the securities authorities.

Shenzhen Bans Circulation of Hong Kong Currency

HK2012101993 Hong Kong LIEN HO PAO in Chinese
19 Dec 93 p 1

[By reporter Hsu Yun-teng (1776 0061 7506): "As Proposed by Zhu Xiaohua and Decided by Zhu Rongji, Hong Kong Currency Will Not Be Allowed To Circulate in Shenzhen and Zhuhai"]

[Text] According to sources close to the policy-making body, Zhu Xiaohua, vice governor of the People's Bank of China, recently proposed to Zhu Rongji, executive vice premier of the State Council and governor of the People's Bank of China, that the circulation of Hong Kong and Taiwan currencies be banned in South China. The proposal was accepted by Zhu Rongji, and an official document of the State Council will be issued. The main considerations are political sovereignty and the conditional convertibility of renminbi. The transitional period in which large amounts of external currencies are circulating side by side with renminbi will be brought to an end.

Zhu Xiaohua was formerly vice governor of the Shanghai Branch of the People's Bank of China. He was later appointed to be deputy director of the Economic Department of the XINHUA Hong Kong Branch. He was also engaged in the financial research work for a long time in the United States (while working for the International Monetary Fund). He is an outstanding financial expert in mainland China.

Zhu Xiaohua observed the practice of Hong Kong, the United States, and other advanced countries. He found that the Hong Kong currency was extensively used in the Zhu Jiang Delta area as a means of circulation for fixing prices and settling accounts. This was different from the normal practice in other countries, and should be rectified immediately. He expected that with the conditional convertibility of renminbi next year, it would be easier to carry out the rectification in this regard.

A country's currency is not only the symbol of its economic and monetary strength, but is also a major symbol of political sovereignty. In most areas of the United States, only the U.S. dollar can be used as a means of payment, and this is the reason foreign currencies cannot widely circulate.

The amount of the Hong Kong currency circulating in the Zhu Jiang Delta area is estimated at 15 billion to 20 billion Hong Kong dollars. People and business firms are more willing to receive and keep the Hong Kong dollar than renminbi.

In particular, when renminbi was undergoing serious devaluation, Hong Kong dollars became very popular with ordinary people and manufacturers, and most shops also preferred using the Hong Kong dollars as the means of pricing and payment. This posed a serious challenge to the political sovereignty of the mainland.

According to the plan of Zhu Xiaohua and Zhu Rongji, renminbi will become conditionally convertible, and people from outside the mainland must convert the foreign currencies into renminbi, and renminbi will be the sole currency extensively circulating in the mainland. At that time, foreign exchange certificates will also be withdrawn from circulation.

As the year 1997 is drawing near, renminbi's circulation in Hong Kong will increase. This may be regarded, to a certain degree, as the extension of the political authority of mainland China. Beijing is glad to see such tendency.

In the past, some experts inside the People's Bank of China proposed that the Hong Kong currency replace the renminbi as the means of circulation and payment in the Shenzhen and Zhuhai Special Economic Zones. Now, this idea has been completely rejected by Zhu Xiaohua and Zhu Rongji, and the situation in which the Hong Kong currency circulates extensively in Shenzhen and Zhuhai may soon be completely changed.

Urban Wages 'Soared' in Oct Due to Inflation
HK1912082193 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Dec 93 p 8

[By Qu Yingpu: "Wages Rise Because of Inflation"]

[Text] China's employment continued its slow upturn in October while urban wages soared as a result of double-digit inflation.

Employment by the end of October stood at 147.533 million, representing a slight growth over the 147.373 million at the end of September, although the October figure was still 386,000 less than at the beginning of this year, according to the latest report released by the State Statistics Bureau. This figure includes all nonagricultural workers in China.

As compared with the beginning of this year, State industries had cut their payrolls by 210,000 people to 108.679 million by the end of October. However, this was a growth of 103,000 as compared with the September-end figure.

Of the workers in State industries at the end of October, 74,014 million held permanent jobs, down 1.569 million. But those working under contract increased by 1.617 million to 22.202 million. The rest held temporary jobs.

Collective enterprises reduced payrolls by 684,000 people to 35.528 million, while foreign-funded and private firms added 508,000 people to their total employment, which stood at 3.326 million at the end of October.

Meanwhile, the volume of wages paid out in the first 10 months totalled 355.5 billion yuan (\$61.293 billion), which was 21.6 percent more than during the same period last year.

Of that total, State industries paid 278.71 billion yuan (\$48.053 billion), up 21.7 percent. Collective enterprises paid 64.58 billion yuan (\$11.13 billion), up 14.8 percent. And foreign-funded and private firms paid 12.22 billion yuan (\$12.107 billion), up a hefty 71.1 percent.

In another development, October's price index on retail sales—the country's most important inflation indicator—rose 14.6 percent over the same month last year.

The cost-of-living index gained 15.9 percent in October.

The retail sales index for consumer goods rose 14.4 percent, while the retail sales index at State commercial outlets rose 14.4 percent. The retail sales index for consumer goods at free markets also increased by 11.8 percent.

Policies To Create Jobs for Urban Unemployed
HK2012080693 Beijing CHINA DAILY in English 20 Dec 93 p 1

[By staff reporter Cao Min: "State in New Bid To Find Work For Jobless"]

[Text] The government is to bring in several preferential policies to create jobs for the urban unemployed, a senior Labour Ministry official said at the weekend.

They include government loans and tax cuts or exemptions to help people start their own service sector businesses.

And they come as the country prepares to implement bolder economic reforms next year, which are expected to sharply increase the number of redundancies from State-owned enterprises.

"We are facing a strenuous task next year in dealing with the job issue," said Zhang Xiaojian, director of the Labour Ministry's employment department.

Zhang said that the urban unemployment rate has risen to 2.6 per cent this year compared to 2.4 per cent last year.

And the urban unemployment total has hit 4 million.

Zhang said the rise was caused partly by the unrestricted influx of rural residents to cities this year.

But another reason was job cuts as State-owned enterprises seek greater efficiency.

Women over 40 now have a hard time keeping their jobs and there are fewer opportunities for the children of mine, rail, forestry and defence workers to take their parents' place.

In 1993, labour departments at all levels organized 15,000 employment agencies to help find jobs for 8 million new and surplus workers.

More than 2,400 training centres have been established, preparing nearly 1.1 million people for new jobs.

Meanwhile, about 900,000 people received unemployment relief, 100,000 more than the number who applied over the past six years.

However, another challenge for the Labour Ministry is how to cope with the influx of rural jobless seeking jobs in cities.

Zhang said he expected more than 10 million of them to flood the urban labour market after next Spring Festival, China's traditional New Year.

Now the Labour Ministry, along with officials responsible for public security, communications and the railways, has just worked out a programme to co-ordinate urban and rural jobs to deal with the serious challenge.

Under the proposed three-year scheme, the rural labour force should be organized to work in urban areas through legal channels, while city authorities should draw up necessary market rules and management frameworks to control the flood.

Chemical Industry 'To Concentrate' on Growth

HK1712090293 Beijing CHINA DAILY in English 17 Dec 93 p 2

[By staff reporter Zhang Yuan: "Chemical Industry Launches Growth Scheme"]

[Text] The chemical industry is to concentrate on developing petro and fine chemicals in the next Five-Year Plan, it was revealed yesterday.

The disclosure came in a Chemical Industry Ministry report which also pledges to maintain the growth of agricultural chemicals from 1996-2000.

The focus on two specific sectors was recently discussed by Chemical Industry Vice-Minister He Guoqiang during a meeting drafting the sector's development during the Ninth Five-Year Plan.

Several large ethylene and aromatic hydrocarbon projects are to be built to boost the petrochemical industry which is having to deal with rapidly growing domestic demand, He said.

Meanwhile, existing medium-sized ethylene projects would be improved as new ones were built faster.

The government is also to extend or build 14 petrochemical projects around the country during the Eighth Five-Year Plan (1991-95).

And most of the work is now going ahead. It includes ethylene projects in Beijing, Tianjin, Jilin city in Jilin Province and Maoming in Guangdong Province and one in Xinjiang Uygur Autonomous Region.

Once they are built, China's ethylene production is expected to hit 5 million tons a year by 2000.

However, China's production of fine chemicals—chemicals refined to become such products as detergents and cosmetics—lags far behind developed countries—less than 30 per cent of the industry's total against 60-70 per cent in the West.

Fine chemicals increase the value of chemical raw materials and primary products up to eight times, bringing producers more profits.

China's goal is to increase the ratio of fine chemicals to 50 per cent by 2000, He said.

To do so, the ministry will give priority to developing new and key fine chemical projects.

Meanwhile, it will encourage small and medium-sized cities to build themselves into bases producing fine chemicals, He said.

He also said the chemical industry will pursue an annual growth rate of nine to 10 per cent from 1996-2000 to meet demand from growing sectors like the electronics and motor industries.

To attract more foreign investment and overseas co-operation the country will open its domestic market wider to foreign chemical firms.

It is planned that a total of \$10 billion in foreign funds will be introduced to the country's chemical industry by 2000, He said.

Meanwhile, Chinese chemical firms hope to push annual exports to \$10 billion, he added.

Economic Atlas Has 'Classified Government Data'

HK2112055293 Beijing CHINA DAILY in English 21 Dec 93 p 2

[By staff reporter: "Atlas Documents Economic Trends"]

[Text] China yesterday published a comprehensive atlas on the country's social and economic developments.

The National Economic Atlas of China is composed of 265 maps and explanatory notes on the national economy.

According to cartographers involved in the five-year project authorized by the State Council, the atlas has "detailed and authentic data" from more than 20 central government ministries and commissions. A great deal of classified government data is included as well.

All statistics come from the period between 1985 and 1990.

Economists who participated in the project have expressed their concern about China's uneven growth.

The atlas provides a visual reminder of how China's growth is clustered in East and South China. Nearly all social and economic indicators in those areas are twice the national average.

The atlas covers natural resources, agriculture, industry, transportation, telecommunications, construction, finance, commerce and foreign trade.

Gan Ziyu, a leading Chinese economist who headed the project, hoped the book would help scientists and educators as well as government policy makers.

The Chinese edition is published by the China Cartographic Publishing House and the English version by the Oxford University Press.

Commission Restricts Mining Joint Ventures

HK1712145893 Beijing ZHONGGUO XINWEN SHE
in English 1321 GMT 17 Dec 93

[Text] Beijing, December 17 (CNS)—China restricts joint ventures with foreigners in the setting up of rare-earth mines, according to an official of the State Planning Commission.

China's total reserves of rare-earth of various kinds and of high quality are put at 36 million tonnes, accounting for 80 percent of the world proven total.

Any item involving joint-ventures and cooperation associated with rare-earth extraction must first have the approval of the responsible authorities and the Ministry of Foreign Trade and Economic Cooperation, according to the provisions of the State Council. The limits imposed on such cooperation are that the foreign partner must possess the modern technology necessary for rare earth separation and any items attempting to benefit from Chinese rare-earth technological achievements and acquire rare-earth resources will not gain approval.

Ministry Regulates Auditing by Foreign Accountants

OW1712130093 Beijing XINHUA in English 1248
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—The Ministry of Finance has formulated a set of rules on temporary auditing conducted in China by foreign certified public accountants (CPA) firms upon the request of entrusters outside China.

According to the rules, any foreign certified public accountants firm, which has no office in China but has been requested by entrusters outside China to conduct temporary auditing in China, will have to get the approval of the board of directors of the company to be audited or other management organizations and file a written application for a temporary license. The validity of the license is six months.

According to the rules, which come into force on January 1, 1994, auditing reports by such foreign CPA firm will

have no legal effect in China and the charges on the auditing will have to be borne by the entruster outside China.

Any foreign accountants agency, which breaks the rules, will be ordered to stop the auditing activities, have their illegal proceeds confiscated and concurrently get a fine ranging from one time to five times their illegal proceeds, the rules provide.

Agriculture Minister on Strategies for 1990's

HK1712133293 Beijing NONGMIN RIBAO in Chinese
7 Dec 93 p 1

[By reporter Zeng Yesong (2582 2814 2646): "At 'International Symposium on China's Rural Reform and Development in the 1990's,' Agriculture Minister Liu Jiang Speaks on New Development State of China's Rural Economy in the 1990's"]

[Text] The "International Symposium on China's Rural Reform and Development in the 1990's" closed at the Beijing International Convention Center yesterday morning. Agriculture Minister Liu Jiang spoke at the closing session. He said: In the 1990's, China's rural economy will enter a new development stage. For this reason, it is necessary, among other measures, to adjust the relationship between industry and agriculture and between urban areas and rural areas, adjust the industrial structure, and promote continued development of agriculture. The rural operational system still has room for further improvement and the domestic market should be better integrated with the international market to bring its advantages into play and to obtain better economic payoff. These are all very valuable and are directed at specific issues. We shall conscientiously study these constructive viewpoints, including foreign experiences, and assimilate them and draw upon them in light of realities in rural China.

When speaking on China's rural reform, Liu Jiang said: From the perspective of international agricultural and rural development, there are three points which have a profound and far-reaching impact: One, we have opened up a road of rural development with Chinese characteristics; two, we are now realizing the shift from the planned economic system to the system of a socialist market economy; and three, our agricultural production and rural economy have been growing at a high rate rarely seen elsewhere in the world.

What thoughts do we have on our country's rural reform and development in the short-term future? Liu Jiang pointed out: In accordance with the spirit of the central authorities and the current conditions in rural areas, we should make a good job in the following areas:

1. Stabilizing and improving the basic operational system in rural areas and pushing ahead with building of the property rights system.

The contract responsibility system on a household basis with remuneration linked to output and the two-tier management system combining unification and division constitute a basic structure in rural China. They should be stabilized and continuously improved over an extended period of time. When the existing farmland contracts expire, they should be renewed. Paid transfer of the right of land use in conformity with law is allowed. In economically developed areas, necessary adjustments may be made on land contracting on the basis of respecting the will of the peasants and an appropriate scale of operation introduced.

Community collective economic organizations and collectively owned township and town enterprises should improve their contracted operational responsibility system, actively introduce a joint-stock system and a cooperative shares system, or make innovations on the system of property rights and operational mode in other forms to define property rights more clearly and help cultivate the subject of the market and mobilize the enthusiasm of members of the collectives concerned.

2. Establishing and perfecting the socialized service system in rural areas.

It is necessary to develop diversified service organizations and gradually form service networks that combine such organizations as community collective economic organizations, state economic and technical departments, and various nongovernmental professional and technical associations (research societies), in light of realities in rural areas. Active efforts should be made to develop all forms of integrated operations of production, processing, and marketing, develop intermediary organizations serving between the market and peasants, and help peasants enter the market.

3. Strengthening the rural market system.

It is necessary to further develop the commodities market, especially wholesale markets. The focus should be on the development of production elements market. Market behavior should be standardized to form a unified, open, competitive, and orderly macro market.

Price reform should aim at establishing a mechanism by which most prices are determined by market forces. Under the precondition of maintaining relatively stable general price levels, it is necessary to decontrol prices of competitive commodities and services and regulate prices of a small number of commodities and services priced by the government, strive to remove the double-track pricing system for the means of production as soon as possible, speed up the process of subjecting prices of production elements to market forces, and establish and improve the reserve system for a small number of important commodities essential to the national economy and people's livelihood to keep their market prices down.

4. Developing township and town enterprises, promoting transfer of rural labor, and strengthening the building of small cities and towns.

It is necessary to improve the quality of enterprises continuously and guide them to converge with small cities and towns to an appropriate extent to bring into play the collective advantages of enterprises, accelerate the development of township and town enterprises in central and western regions and encourage all forms of cooperation between the eastern and central or western regions, and make active use of local advantages to develop foreign-oriented economies and help them take a direct part in competition in the international market.

The enormous surplus labor in rural China must be transferred outward, and part of it should enter small cities and towns. It is necessary to reform the residence management system by stages and allow peasants to engage themselves in industrial and commercial activities in urban areas. The relative population size of urban and rural areas should be gradually changed to enhance our country's level of urbanization.

5. Developing highly efficient agriculture that provides greater and better yields.

It is necessary to adapt to the transition toward moderate prosperity and changes in consumer demand on agricultural products, optimize product mix, increase input in related science and technology, improve operation and management, and bring agriculture toward the goal of "greater yields, better quality, and higher efficiency."

6. Protecting and supporting agriculture, increasing agricultural input, reinforcing construction of the agricultural infrastructure, and improving agricultural production conditions and ecological conditions.

It is necessary to strengthen agriculture-oriented industry and take substantial steps to solve the problem of excessive price hikes of agricultural production means. The grain purchase and marketing system should be reformed. The system of purchase by fixed quantity shall be retained for grain ordered by the state. Purchase prices should be subjected to market influence. It is necessary to introduce a grain protection system and, to match it, establish a grain risk fund and reserve system. Substantial efforts should be made to lessen the burdens on peasants, and such burdens should be put under effective monitoring and control.

7. Strengthening economic development in poverty regions.

The center and the localities must increase their input in poverty regions, focusing on supporting road construction, development of essential farmland, and provision of drinking water for humans and livestock in these regions. Cadre exchange and economic and technological cooperation between developed and poverty regions should be expanded. Local resources should be made full

use of to develop the production of commodities, promote market circulation, and form a mechanism by which they can mainly rely on their own resources to end poverty and attain prosperity.

8. Changing government functions and doing a good job of macroregulation and control.

The administrative management of agriculture and rural areas exercised by the government should be shifted from the dominance of management by administrative means to the practice of paying attention to formulating medium and long-term strategies for agricultural and rural economic development, making implementation plans, studying and formulating industrial policies, organizing and coordinating the construction of major agricultural basic facilities and transregional agricultural production bases (including investment management), broadcasting prices of major agricultural items and market information, and guiding the supply and demand of agricultural products to an overall balance.

This four-day international seminar was sponsored by the Agriculture Ministry. Over 120 Chinese and foreign experts from 13 countries and regions attended the seminar. At the seminar, Du Runsheng [2629 3387 3932], renowned expert in rural problems, made a special report on the topic of rural reform and development in China.

'Six Major Areas' Changed in Agrotechnical System

OW1712193793 Beijing XINHUA Domestic Service in Chinese 2115 GMT 14 Dec 93

[By reporters Li Renhu (2621 0088 5706) and Xiao Jianguo (5135 1696 0948)]

[Text] Taiyuan, 14 (XINHUA)—From the interchange of views on the various situations reflected at the Seventh National Symposium on Restructuring Agricultural Science and Technology held recently in Taiyuan, it was manifest that since China introduced reform in the structure of agricultural science and technology a decade ago, tremendous changes have taken place in six major areas, including the integration of science and technology with economy, structural readjustment, increase in sources of funds, and conversion of achievements into practical application.

Many maladjustments have emerged when agricultural science and technology system consistently practiced over the past several decades is confronted with the development of the socialist economic situation, manifested mainly in divergent development of science and technology and economy, overlapping of courses and specialized fields of study offered, repetition in substandard research topics, shortage of or single source of research funds, irrational distribution of qualified personnel, low rate and slow pace in converting achievements into practical application. Since 1985, academies of agricultural sciences in 30 provinces, municipalities,

and autonomous regions nationwide have successively carried out reform in scientific and technological structure, effected a breakthrough in setting priorities, pushed ahead in an all-round way and achieved remarkable results.

—A market-oriented system of scientific research has been established. Following a change in people's standard of living from merely managing with sufficient food and adequate clothing to leading a comfortable life and a transition from traditional agriculture to modern agriculture, various academies of agricultural sciences have reoriented their research toward selectively breeding high-yielding, high-quality, and disease-resistant farm crops and livestock and poultry that give high returns, and developing advanced cultivation and livestock-breeding technology. Key specialized fields of study have been established in line with market needs; an overall arrangement has been made to promote an academic innovation in basic research; technological breakthroughs have been made in major applied research; pioneering research has been made to enhance economic efficiency in production thereby raising the overall research standard. The Academy of Agricultural Sciences in Hebei has readjusted the ratio of its three categories of research from the previous 2:5:3 to 2:4:4, thus increasing the proportion of development and research.

—A unified system integrating research, development, production, marketing, and service has taken shape. Various academies of agricultural sciences have guided science and technology personnel to tap the fruits of their achievements in scientific research by setting up production bases, establishing scientific and technological enterprises, and sending their scientific research products to the market. The "six six six" project developed by the Academy of Agricultural Sciences in Shanxi has, after three-year efforts, established 36 pilot centers in 34 counties and cities across the province; channeled 300 odd science and technology personnel toward the unified operational process by integrating scientific research, development and operations; organized and formed a technological system for enhancing production through 47 projects; conducted 166 development and research projects; increased production of cotton, oil-bearing crops, melons, fruits, and vegetables by a total of 1.556 billion kilograms; and raised 1.198 million head of livestock and poultry, yielding economic results valued at 1.197 billion yuan.

—A relatively large adjustment has been made in restructuring specialized fields of study in science and technology. Various academies and institutes of agricultural sciences have greatly curtailed the repetitious substandard research topics and the overlapped specialized fields of study, and beefed up the facilities for offering new technical subjects and specialized fields of study that have prospects for expanding the market. In the current year, the Academy of Agricultural Sciences in Beijing Municipality has restructured its

science and technology personnel with 46 percent of them engaging in research, and 54 percent participating in technological development and conversion of their achievements into practical application, thereby not only strengthening research, but also promoting application of research results. The Academy of Agricultural Sciences in Sichuan has reduced its research topics from 117 in 1992 to 51 this year, and introduced 30 new topics in accordance with the needs of market economy and development in scientific research.

—A pattern with multiple channels of investment in science and technology is taking shape. To make up the shortage in scientific research funds, various academies of agricultural sciences have, through commercializing their achievements, actively initiated specific entities and other forms of establishment to attract foreign capital, aimed at widening the funding channels and augmenting the sources of funds. The Academy of Agricultural Sciences in Hubei, presently credited with an assortment of 66 scientific and technological industries and economic entities, has realized a total annual income of some 40 million yuan. It has become a base for producing commodities through the application of advanced technological achievements. It has not only managed to ensure the normal operation in various fields of endeavor in the entire academy, despite having a per capita undertaking expenditure of below 2,000 yuan, but has also made it possible for scientific research, production, and living conditions of its workers and staff members to improve continuously.

—A mechanism for making internal self-improvement, encouragement and self-restriction has been established, and is gradually being strengthened. To a large extent, when utilizing the personnel in the academy, it has introduced a system with the president of the academy and directors of research institutes assuming full responsibilities and an employment contract system covering the entire personnel. In utilizing personnel, it has also practiced the principle of fair competition, and selecting the best to an appointment, as well as a mechanism of encouragement "linking efficiency with contributions." This year, the Academy of Agricultural Sciences in Sichuan, after a process of fair competition and strict appraisal and thorough examination, has separately given out monthly allowances with three varying standards amounting to 100 yuan, 80 yuan, and 50 yuan for tackling key projects to 226 chief researchers and officers in charge of research projects at the ministerial or provincial level.

—The pace of converting scientific and technological achievements into productive forces has greatly quickened. Academies of agricultural sciences and research institutes in various provinces, municipalities, and autonomous regions have adopted multifarious, multi-directional, and multi-channel methods to convert the fruits of their research. First, scientific and

technological departments have popularized their research among the various social sectors. Second, they have popularized their achievements through intermediate organizations and scientific and technological agents and brokers. Third, they have introduced technical contract responsibility with compensatory services. Fourth, they have actively participated in various exhibitions, trade fairs, news briefings, auctioning at the market, and other publicity activities to enhance information transmission. Fifth, they have established a multidimensional and multi-channel popularizing (marketing) system. Over the past 10 years since reform was introduced, the Academy of Agricultural Sciences in Jilin Province has attained scientific and technological achievements in more than 230 projects, with 32 projects being awarded with state invention prizes, scientific and technological advancement prizes, and prizes for natural sciences, and 165 projects winning achievements prizes at ministerial or provincial level. More than 80 percent of their achievements in applied technology have been put into production and service, yielding an increased annual economic results of over 500 million yuan.

Agriculture To Draw \$1.44 Billion in Loans

HK1912082093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Dec 93 p 1

[By Wu Yunhe: "China To Borrow \$1.44B For Massive Ag Projects"]

[Text] China's healthy foreign debt, which now stands at around eight percent of its export earnings, has inspired agricultural officials to accelerate their foreign-currency borrowing, according to a senior official.

Zhao Shubao, deputy director general of the Foreign Economic Relations Office under the Ministry of Agriculture, said the debt service ratio—which is calculated by comparing the country's fast-growing export earnings and its foreign debts—has encouraged the office to borrow nearly \$1.44 billion from the World Bank and the Asian Development Bank as well as the Australian Government during the next four years.

Zhao told Business Weekly that the ministry is expected to pump the loans into the establishment of 17 huge agricultural development projects across the country during the next four fiscal years.

The ministry already has promises from the two banks and the Australian Government for the loans, which are expected to be long-term, low-interest ones, he added.

However, the senior official noted that the 1994-97 period might be the last time that China's agriculture is eligible for World Bank soft loans, which usually have a term of 30-50 years and an annual interest of less than 6 percent.

"The (World) Bank has told us that the fast-developing economy and the country's rising per capita income might exclude China from receiving further soft loans after 1997," he added.

So, over the next few years, the ministry plans to channel its foreign loans into the updating of agrotechnology in production, farm product processing and rural commercial businesses, which are essential for an advanced export-oriented rural economy, Zhao revealed.

"China has to strengthen its agriculture's capacity for the repayment of foreign debts if it is going to continue borrowing agriculture-earmarked money from the World Bank and the Asian Development Bank after 1997," he added.

The 17 planned foreign-financed projects during the 1994-97 period are to be involved in animal feed processing, grazing land development, fish farming, crop breeding, rural energy generation, free market construction as well as agrotechnology development for prevention and cure of soil erosion and control of migratory locusts.

Twelve of the projects will get loans from the Asian Development Bank, one is to be financed by the Australian Government, and the rest will borrow money from the World Bank.

Zhao's office, which is the "window" at the ministry linking the country's agriculture with foreign co-operative partners, has already introduced more than \$865 million in loans and donations from foreign governments and financial institutions since China's economic reforms started 14 years ago.

With the \$865 million in foreign loans and donations, the ministry has set up 18 agricultural development projects across China's countryside.

Of them, seven projects are being implemented, mainly to improve the per unit grain yield, red soil cultivation, tropical crops development and agricultural information consultancy.

East Region**Anhui TV To Broadcast Closed-Circuit Programs**

OW1612004893 Hefei ANHUI RIBAO in Chinese 22 Nov 93 p 1

["Anhui Television Station To Air Closed-Circuit Programs"]

[Text] At the end of November, the Anhui Television New Technology Company will lead the whole country and introduce a closed-circuit (with interference) television (PTV) system.

PTV is a pay television program. In relying on the "movie channel" soon to be transmitted via satellite and broadcast through a closed-circuit system by the CCTV, the Anhui Television Station will use its Channel 25 as a prelude to the CCTV's "movie channel" and begin to air PTV movie and television programs in early December. By hooking up a decoder to their television antenna and being provided with a coded card identical to that at the transmitting terminal, viewers will be able to receive closed-circuit television programs with clear reception.

Number of Enterprises in Fujian City 'Increasing'

OW2112122793 Beijing XINHUA in English 1159 GMT 21 Dec 93

[Text] Fuzhou, December 21 (XINHUA)—The number of township enterprises in Jinjiang, in southeast China's Fujian province, has been increasing rapidly for the past few years.

During the January-October period of this year, township enterprises in Jinjiang have yielded an output value of 8.5 billion yuan, an increase of 132 percent over the same period of last year.

Township enterprises in Jinjiang City have been developing at a higher level, according to Gong Qinggai, vice mayor of the city.

During the first eleven months of this year, Jinjiang approved more than 1,500 township enterprises with a registered capital of more than 1.2 billion yuan. Four enterprises each reported an output value of more than 100 million yuan.

In addition, the city has approved six township enterprise groups, with registered capital of more than 300 million yuan.

An industrial system with township enterprises as its mainstay has taken shape, covering the shoe-making industry, clothes, textiles, porcelain, construction materials, food, electronics, toys, packages, umbrellas and plastics.

At the same time, more foreign funds are pouring into the township enterprises.

During the January-September period, Jinjiang approved 272 foreign-funded township enterprises, involving more than 1.2 billion yuan in foreign funds. The city now has 819 foreign-funded township enterprises, which involve an overseas investment of more than three billion yuan and report an annual output value of 1.5 billion yuan.

Jiangxi's Hengnan Railway Construction Proceeds

OW2012131293 Beijing XINHUA in English 1237 GMT 20 Dec 93

[Text] Nanchang, December 20 (XINHUA)—East China's Jiangxi Province recently started construction of a 36.27-kilometer railway, a section of the Hengnan Railway, the second one linking the landlocked Jiangxi with the coastal Fujian Province.

The Hengnan line is 286 kilometers long and is being jointly funded by the Ministry of Railways and Fujian Province.

The total investment in the railway project is about 2 billion yuan. The project is expected to be completed in 1996.

The Jiangxi section of the railway runs from Shangrao City to Yongping County.

Meanwhile, work on an extension of the Shangrao Railway Station will also start.

The project includes the building a new station with a floor space of 8,000 square meters and the reconstruction of a freight station and a container stockyard.

Shandong Arrests Men 'Responsible' for Accident

SK2112083493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 Dec 93

[Text] On 24 May the station reported the news concerning the collapse of the gypsum mine in (Xizhuang) Township of Zaozhuang city's Taierzhuang District. (Sun Jinxiao) and (Guo Chuanjiang), who were directly responsible for this accident, were arrested in accordance with laws a few days ago.

(Sun Jinxiao) and (Guo Chuanjiang) used to be director and deputy director of the mine. In undertaking the management of the mine by contract, they unduly sought economic results and engaged themselves in illegal mining. As a result, the mine became hollow. On 22 May of this year when they were informed that the mine would soon be (closed), they persisted in making the workers work, and as a result, an extraordinarily serious mine collapse accident took place on the morning of 23 May resulting in 12 deaths and five wounded persons. Direct economic loss surpassed 650,000 yuan. After the accident, the organs concerned declared (Sun Jinxiao) and (Guo Chuanjiang) guilty of neglecting duties and arrested them in accordance with laws. Meanwhile, the

principal responsible comrades of the township party committees were punished according to party and administrative discipline.

Shandong Arranges 1994 Anticorruption Struggle
SK2112072493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 Dec 93

[Text] The provincial meeting of city and prefectural discipline inspection commission secretaries was held in Jinan on 18-19 December.

After study, the meeting made arrangements for waging the anticorruption struggle before Spring Festival and also made 1994 work arrangements.

Tan Fude, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, chaired and addressed the meeting.

Tan Fude set forth requirements for summing up the achievements in the anticorruption struggle launched in the previous stage.

He pointed out: We should take the summing up of work achievements made in the previous stage as an important part of the democratic activities of the leading bodies at or above the county level in January and solidly ensure the summing-up work.

Tan Fude arranged the work before Spring Festival.

He said that the general work requirements in the next month and a half before Spring Festival are to grasp existing achievements, eliminate three kinds of unhealthy trends, and lay a good foundation for the 1994 work. First, we should achieve the democratic activities of the leading bodies with the focus on ensuring their administrative honesty and self-discipline. Second, we should attend to investigating and handling major and appalling cases. Simultaneously, we should firmly attend to investigating the clues for cases so as to make a good start in handling the cases in 1994. Third, during Spring Festival, we should concentrate efforts on eliminating such unhealthy trends as using public funds to give dinners and gifts and engage in waste and extravagance; wantonly giving cash awards, materials, and subsidies and apportioning expenses from enterprises; and holding excessive target-attaining, assessment and comparison, and commendation activities. We should attend to correcting unhealthy trends. The provincial-, city-, and prefectural-level party and government organs should set an example in observing four prohibitions. That is, do not accept, ask, buy, or send. We should strengthen supervision and inspection, give both positive and negative examples gained by the key departments, accept the supervision by the masses, and ensure that each level should grasp the work of each lower level.

Tan Fude made arrangements for the 1994 anticorruption struggle.

He stressed: The basic ideas and policies for the 1994 anticorruption struggle will not be changed. The three tasks will basically remain unchanged. Work priorities will not change. On the basis of grasping the achievements made in the 1993 stage, we will add new contents to the 1994 anticorruption struggle, further consolidate and upgrade the work achievements, and [words indistinct].

Shandong Attributes 'Good Harvest' to Science
OW2112114693 Beijing XINHUA in English 1127 GMT 21 Dec 93

[Text] Jinan, December 21 (XINHUA)—East China's Shandong Province has ranked first in the country in wheat production since 1991.

A survey report shows that Shandong produced a record 20 billion kg of wheat this year.

Jiang Chunyun, secretary of the Shandong Provincial Committee of the Communist Party of China (CPC), attributed the good harvest to the introduction of improved seeds and scientific farming.

According to preliminary figures, Shandong has obtained over 2,500 agro-science findings since 1986, approved 250 improved varieties of crops and developed techniques for improving the output of high-yield cotton, soybeans, peanuts, maize and apples.

At present, many of the findings are being applied to rural areas, and the province has 1.067 million ha generating 15,000 yuan per ha.

In addition, Shandong is forming a rural science service network to help widen farmers' general knowledge of agro-technology.

Most of the rural towns in the province have set up committees in charge of science, and 72 percent of the administrative villages, the basic units in the countryside, have one to three farmer-technicians each.

Shandong has 11,200 organizations supplying machinery for farming, forestry and animal husbandry. These organizations employ 47,300 people.

While setting up 14,000 farmers' societies and associations, the province has opened 385 agro-technical schools in rural areas.

Shanghai Development Zones See 'More' Investment
OW2012060493 Beijing XINHUA in English 0517 GMT 20 Dec 93

[Text] Shanghai, December 20 (XINHUA)—The three development zones in the Puxi area (on the west bank of the Huangpu River) in Shanghai have attracted more and more foreign investment.

The Minhang, Hongqiao and Caohejing Development Zones approved more than 90 foreign-funded enterprises, with a combined investment of over 300 million U.S. dollars, in the first 11 months of this year, greatly exceeding the total figure for the whole of last year.

Featuring industrial projects, the Minhang Development Zone plans to open up 2.13 square kilometers in its first construction phase.

Companies from Britain, the United States, the Netherlands and Japan have already leased plots covering 1.37-square kilometers to build plants.

The Hongqiao Development Zone, scheduled to develop into a foreign trade base, is building "Shanghai's world trading center," a Sino-foreign joint venture with an investment of over 300 million U.S. dollars.

Known as Shanghai's "Silicon Valley," the Caojing high-tech development zone is accommodating one foreign-funded project after another.

Many foreign-funded enterprises have made additional investments in these zones after they reaped fine economic benefits there.

A survey shows that the three zones had a total of 300 foreign-funded enterprises with contractual investments surpassing 2.5 billion U.S. dollars by the end of November this year. Included were 1.3 billion U.S. dollars of foreign investment.

The Minhang Development Zone has over 100 foreign-funded industrial enterprises involved in the fields of electronics, meters and instruments, medicine, light industry, refined chemicals and metal-processing. Its products sell well on the international market.

The Caohejing Zone has already created a new-tech and high-tech industrial set-up, covering electronics, computers, bio-engineering, new materials, electric appliances, lasers, delicate instruments and meters.

More than 400 Chinese and foreign organizations have registered at the Hongqiao Development Zone, which has erected a range of hotels, office buildings and apartment blocks. The zone has housed 16 large international exhibitions this year.

Now 87 foreign-funded enterprises which have gone into operation in the Minhang Zone are expected to generate an industrial output value totalling five billion yuan this year, an increase of 53 percent over last year. They will export 328 million U.S. dollars worth of goods, up 43 percent, and generate taxes and profits totalling 1.372 billion yuan, up 45 percent.

The industrial output value in the Caojing Zone will top four billion yuan this year.

Experts here attribute the success of the three zones to their following market operations and international practices, having less government interference, paying

attention to economic returns and developing in line with the needs of different investors.

Report on Foreign Banks' Operations in Shanghai

OW1812074293 Beijing XINHUA in English 0721
GMT 18 Dec 93

[Text] Shanghai, December 18 (XINHUA)—The establishment of 26 foreign banking organizations in this, China's largest economic center has helped boost its economy.

It also forces Chinese banks to speed up the reform and improve services in line with the developing market economy, according to local experts on finance.

Shanghai is transforming and modernizing its downtown area of Puxi (on the west bank of the Huangpu River) while developing the Pudong area (on the east bank), a newly-established economic zone that is expected to lead in the transformation of Shanghai's industrial and financial sectors, and is in need of capital.

The influx of foreign-funded banks has brought the city a flood of investment and loans.

A survey report shows that these organizations had registered capital totalling 2.86 billion U.S. dollars by the end of October this year, an increase of 139.22 percent over the whole of last year; and granted loans in foreign exchange amounting to 1.18 billion U.S. dollars, up 107.93 percent.

The foreign exchange savings deposits in these banks now totals 366 million U.S. dollars, up 68.66 percent, and 90.71 percent of the customers are from the mainland.

According to the experts, Shanghai is provided with ample international markets and business conditions.

It has used loans from the Asian Development Bank and a banking group consisting of several noted overseas banks via their branches in the city to construct two bridges across the Huangpu River.

In addition, these foreign-funded banks grant loans to nearby provinces and cities to help them with industrial development and improvement of urban infrastructure facilities.

According to statistics, business people from 51 countries and regions had opened 6,571 projects solely funded by themselves in Shanghai by the end of November this year. These projects involve a total investment of 13.16 billion U.S. dollars.

A municipal official in charge of banking said that the presence of foreign-funded banks has forced Chinese banks to upgrade their mechanism and improve their services.

Shanghai has 25 banks solely funded by China. These banks lacked a sense of market competition mechanism under the traditional planned economy.

Related departments predict that foreign-funded banks in Shanghai will continue to expand their activities in the spheres of trade settlements and bills next year. Moreover, customers will shift their savings deposits from Chinese banks to foreign-funded banks if the former do not improve their services.

The foreign-funded banking organizations, equipped with advanced equipment and management, regularly offer training courses of various types for their Chinese clerks to widen their banking knowledge and improve their professional level.

They also take an active part in the securities markets.

According to statistics, Shanghai has issued 18 types of B-shares since March 1992, and entrusted more than 50 overseas firms to market them. Of the firms, 26 have special seats on the Shanghai security exchange.

Shanghai Receives Offshore Shipping Service Firm

*OW1812113393 Beijing XINHUA in English 1045
GMT 18 Dec 93*

[Text] Shanghai, December 18 (XINHUA)—The Wa Wei Offshore Shipping Service Co. Ltd was established today in this leading industrial city of China.

The company, involving a total investment of 30 million U.S. dollars, is jointly funded by the Shanghai Maritime Rescue and Salvage Bureau and Hong Kong's Wah Tak Marine Engineering Co. Ltd.

It will especially serve the maritime oil and gas exploitation center by providing bulk shipping, under-water operations, maritime rescue, fire fighting and prevention, and equipment fixing.

Zhejiang Relays Party Plenum Guidelines

OW2012024193 Hangzhou ZHEJIANG RIBAO in Chinese 18 Nov 93 p 1

[“The Provincial Party Committee Holds an Enlarged Meeting of Its Standing Committee To Relay for Implementation the Guidelines of the Third Plenary Session of the 14th CPC Central Committee”]

[Text] The Zhejiang Provincial CPC Committee held an enlarged meeting of its Standing Committee on 16 November to relay for implementation the guidelines of the Third Plenary Session of the 14th CPC Central Committee. Li Zemin, secretary of the provincial party committee, chaired the meeting at which he relayed the guidelines of the Third Plenary Session of the 14th CPC Central Committee. Participants in the enlarged meeting noted: The Third Plenary Session of the 14th CPC Central Committee was held under the great banner of

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Like the Third Plenary Session of the 11th CPC Central Committee, it was yet another meeting of great importance in our party's history. The “decision” examined and approved by the plenary session and Comrade Jiang Zemin's important speech at the plenary session set clear goals, principles, tasks, and measures for our country's drive toward building a socialist market economic system. We must seriously study and implement them, accelerate our province's reform and development, and work hard to establish a new socialist market economic system by the turn of the century to ensure the sustained, rapid, and healthy development [chi xu kuai su jian kang di fa zhan 2170 4958 1816 6643 0256 1660 0966 4099 1455] of the national economy.

The participants opined: The Third Plenary Session of the 14th CPC Central Committee was an important meeting with a major historic mission held during a crucial stage of our country's reform and development. The “decision” examined and approved by the plenary session has very distinctive features. First, it fully embodies Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, reflects the guidelines of the important talks made by Comrade Deng Xiaoping in early 1992 and the 14th CPC National Congress, and is permeated with the ideological line of emancipating the mind and seeking truth from facts and with the thoughts of making development an essential criterion and seizing opportunities to quicken reform and development. The “decision” systematically expounds Comrade Deng Xiaoping's reform ideas in many areas, signaling a higher degree of maturity for our party's reform theory and a higher degree of clarity for our country's reform direction. Second, it fully summarizes the experience in reform and opening up of the past 15 years, especially the gains in theoretical exploration and practice with respect to the establishment of a socialist market economic system. Furthermore, it draws upon the successful practices of Western developed countries in developing a market economy, enriches and highlights the key aspects of our reform program, shows our party's ever-deepening understanding of socialism with Chinese characteristics, and marks a new stage of reform in which our country makes wide-ranging planning and carries out systematic and package reforms. Third, it deepens and specifies the content and goal of establishing a socialist market economic system as suggested by the 14th CPC National Congress. It shows breakthroughs in many areas while ensuring that the basic policies are continued and maintained. Fourth, it embodies the general principle of performing two tasks simultaneously without neglecting either, and offers influential expositions on spiritual civilization, democracy, the legal system, the party's leadership, and party building. Fifth, it succinctly epitomizes the spirit of dialectics and the doctrine that everything has two aspects. The “decision” pools the entire party's ideas, outlines the basic framework of the socialist market economy, offers a general blueprint, and

serves as an action plan for the entire party to thoroughly implement the reform tasks laid down by the 14th CPC National Congress, to advance reform and opening up in a timely fashion, and to establish a socialist market economic system. It will have significant and far-reaching effects on our country's reform, opening up, and socialist modernization. Moreover, it contributes to the development of Marxism in both theory and practice. The "decision" has far-reaching implications for increasing our country's overall strength amid the changing international political scene.

The meeting set forth preliminary views on how our province should implement the guidelines of the Third Plenary Session of the 14th CPC Central Committee. 1) We should seriously and intensively study the "decision" and Comrade Jiang Zemin's important speech. Party organizations at all levels should organize efforts to relay and implement the plenary session's guidelines in accordance with the demands of the party Central Committee and the provincial party committee. At present, we should first organize leading cadres at all levels to conduct serious and intensive studies in an effort to fully understand the vital importance and historic role of the "decision" and the speech. We should clearly define the goals, tasks, and key areas of reform of the economic structure; understand the principles and policy initiatives that need to be followed and implemented; and maintain ideological and conceptual agreement with the guidelines of the "decision" and the speech. We should study the "decision" and the speech along with Volume 3 of the *Selected Works of Deng Xiaoping*. We should improve and deepen our understanding in an effort to further emancipate our minds and seek truth from facts. We should further make development an essential criterion; focus on economic construction; seize opportunities to speed up reform, opening up, and economic development; and strive to initiate a new socialist market economic system by the turn of this century to ensure the sustained, rapid, and healthy development [chi xu kuai su jian kang di fa zhan 2170 4958 1816 6643 0256 1660 0966 4099 1455] of the national economy. 2) We should actively advance various reforms in our province with the aim of establishing a socialist market economic system. The various reforms of our province have shown some progress in recent years. Particularly since Comrade Deng Xiaoping's important talks in early 1992 and the 14th CPC National Congress, our province has taken significant steps forward in some reforms and introduced many reform initiatives. Reform demands that consideration be given to the continuity of our policies and the convergence of our work in the course of implementing the "decision." In accordance with the guidelines of the "decision," we should actively take some practical steps and measures, further expand the scope of our reform ideas, and promote in-depth economic development. 3) We should strengthen investigations and studies and formulate effective measures to implement the "decision." We should firmly execute implementation plans for the "decision" and for the various reforms introduced subsequently. In reform and

development, our province should fulfill the demands outlined in the "decision" and consider Zhejiang's reality. We should organize special personnel to conduct separate investigations, studies, analyses, and feasibility studies, and devise general plans for reform and feasible operational schemes. The reform initiatives we formulate should take long-term interests into consideration while studying and resolving prominent contradictions and problems we currently encounter in our economic activities. This will ensure that our province's various reforms will continue to deepen and will give strong impetus to economic development. 4) We should continue to resolutely promote spiritual civilization, conduct party building, foster democracy and legal institutions, and fight against corruption. The province has made arrangements for work in these areas, and party committees at all levels should conscientiously implement them. 5) We should carry out all our work in earnest and use practical actions to usher in the successful convocation of the Ninth Congress of the Zhejiang Provincial CPC Committee.

Present as observers at the enlarged meeting were responsible persons from the provincial advisory commission; the provincial discipline inspection commission; the provincial people's congress standing committee; the provincial committee of the Chinese People's Political Consultative Conference; relevant departments, committees, offices, departments, and bureaus of the provincial party and government; and news organizations.

Zhejiang Party Committee Holds Plenary Session

OW2012143893 Hangzhou ZHEJIANG RIBAO in Chinese 8 Dec 93 p 1

[Text] The Eighth Zhejiang Provincial CPC Committee held its 12th Plenary Session in Hangzhou 6-7 December. Members and alternate members of the provincial party committee attended the session; provincial advisory commission and discipline inspection commission members, city and prefectural party secretaries, executive vice chairman of the provincial people's congress Standing Committee, executive vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, responsible persons of provincial departments concerned, and veteran party comrades observed the proceedings. Li Zemin and Wan Xueyuan respectively chaired the two-day session. Li Zemin spoke on ways to earnestly prepare for a successful provincial party congress.

The session discussed and adopted in principle the work report of the eighth provincial party committee to be delivered to the Ninth Zhejiang Provincial Party Congress; adopted a resolution on holding the party congress; decided on the date of holding the congress and its main agenda; and deliberated on personnel arrangements for the ninth provincial party committee and discipline inspection commission.

The session held: The ninth provincial party congress will be a major event in the people's political life across the province. Successfully holding the congress is of great significance to following Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line; to implementing the guidelines of the 14th National Party Congress and the Third Plenary Session of the 14th CPC Central Committee; to unifying our thinking; to defining the goal of our struggle and the principal tasks in light of Zhejiang's reality and experience; to increasing our confidence and fighting spirit; and to uniting all party members and masses of people in the province to accelerate reform, opening up, and modernization as well as to achieve the second-step strategic goal in Zhejiang ahead of schedule. The session called on all party organizations and members in the province to work with one heart and mind in a down-to-earth manner, and to greet the triumphant opening of the ninth provincial party congress with concrete action.

Zhejiang Official Urges Anticorruption Results

OW2012052993 Hangzhou ZHEJIANG RIBAO in Chinese 20 Nov 93 p 1

[“The Provincial Party Committee Sends 11 Investigation Teams To Supervise and Promote Anticorruption Struggle in Cities and Prefectures”]

[Text] The provincial party committee recently organized 11 investigation teams to supervise and check on the implementation by various cities and prefectures of the requirements for the anticorruption struggle set by the party Central Committee and the provincial party committee. These investigation teams were led by department-level cadres, with the participation of leaders of various democratic parties.

Before the investigation teams left for cities or prefectures, the provincial party committee called a meeting of all team members. Wang Qichao, member of the provincial party committee standing committee and secretary of the provincial discipline inspection commission, presided over the meeting. Addressing the meeting on the situation of the anticorruption struggle and the main tasks of the investigation teams, Wang Qichao said: The overall situation in the province's anticorruption struggle is good. Various departments have taken action and achieved initial results in this regard. As a result, the unhealthy trends of party and government leaders and cadres accepting gift coupons or cash gifts and traveling abroad at public expense have been basically checked, leading cadres at or above the county level have acted and examined themselves according to the five requirements set by the party Central Committee for self-discipline and practicing a clean and honest workstyle, conscientious efforts have been made to stop unwarranted collection of fees and the running of enterprises by party and government organizations, and a number of categories of unwarranted fees have been canceled. However, the tasks in the anticorruption struggle remain arduous, and we still have a long way to go in meeting the

requirements set by the party Central Committee. Meanwhile, there are still many problems in this regard. Therefore, party and government cadres at various levels must have a clearer understanding of the importance and urgency of the anticorruption struggle and establish the concept of attaching importance to the building of both a material and a spiritual civilization. They should do solid work and act according to relevant requirements in order to achieve marked results in a short time. After arriving in cities and prefectures, the investigation teams should heed the opinions of various quarters, clearly understand the situation there, and conscientiously supervise and check on the anticorruption struggle.

Speaking at the meeting, provincial party secretary Li Zemin said: Party and government leaders at various levels must fully understand that the anticorruption struggle is a major task in strengthening party building and the building of political power and that it is an important guarantee for the smooth development of reform, opening up, and economic construction. It is necessary to carry out this struggle to implement the party's basic line in an all-round way and to consolidate and develop the present excellent situation. The anticorruption struggle must be carried out around the central task of economic construction, and it must be aimed at promoting reform, opening up, and economic construction. To send the investigation teams to work in cities and prefectures is an important link in the provincial party committee's effort to carry out the anticorruption struggle. Guided by the Volume 3 of the *Selected Works of Deng Xiaoping* and Comrade Jiang Zemin's speech on these selected works, the investigation teams must resolutely act according to the requirements and policies set for the anticorruption struggle by the party Central Committee and the provincial party committee, supervise and check on the struggle on behalf of the provincial party committee, and urge party committees at various levels to achieve results by conscientiously carrying out the struggle.

Zhejiang City 'Boosting' Export-Oriented Economy

OW2012075293 Beijing XINHUA in English 0727
GMT 20 Dec 93

[Text] Ningbo, December 20 (XINHUA)—Ningbo, one of China's open coastal cities in Zhejiang province, is boosting an export-oriented economy.

A city official said Ningbo will concentrate on the development of the Beilun Deep-Water Port, Daxie Island, the Ningbo Economic and Technology Development Zone and the bonded zone.

The city approved 953 foreign-funded enterprises in the first 11 months of this year, imported and exported 1.47 billion U.S. dollars worth of goods, up 77 percent over the same period last year, and concluded 87 contracts to provide labor services overseas.

Encouraged by the city government, enterprises in Ningbo are going abroad to set up agencies and joint venture enterprises.

According to the official, Ningbo will consolidate its position in the Southeast Asian market while striving to enter the European and American market next year.

It will rearrange its economic structure with focus on export-oriented enterprises and production centers.

Zhejiang Reports Foreign Trade 'Growth'

OW2112112493 Beijing XINHUA in English 1032
GMT 21 Dec 93

[Text] Hangzhou, December 21 (XINHUA)—East China's Zhejiang Province reported substantial growth in foreign trade this year, with total exports valued at 4.18 billion U.S. dollars.

The structure of Zhejiang's export industry has changed greatly, with industrial products accounting for 80 percent of the total this year.

To pave the way for more exports, the province has in recent years pooled billions of yuan into building infrastructure facilities, including those in energy, transportation, and telecommunications.

A huge number of major projects, including the Wenzhou and Yiwu Airports, the Zhanpu and Beilun Ports, and the Xuanzhou-Hangzhou railway, have been put into operation, creating a better environment for foreign investment.

In addition to convenient telephone services, the number of 10,000 dwt ports and berths have climbed to 26, with sea routes to more than 200 ports abroad. The province also has scheduled flights to over 70 cities around the world.

To raise the quality of export goods and add new varieties, the province has also established six new and high-tech industrial development zones and bonded zones.

Measures were also taken to encourage the specialized foreign trade firms and joint ventures to take part in competition on the world market.

Central-South Region

Guangdong City Reports on Telephone Subscribers

HK1712145093 Beijing ZHONGGUO XINWEN SHE in English 1324 GMT 17 Dec 93

[Text] Guangzhou, December 17 (CNS)—The number of telephone subscribers in Guangzhou rank the city first among all the country's provincial capitals with 765,000 in the urban districts and an average of 20.5 telephones for every one hundred residents.

In the past applicants for a telephone had to wait anything from half a year to two years to have a phone installed in Guangzhou. Starting this year, the city decided to solve the installation problems by implementing "Guangdong Posts and Telecommunications Administration Provisions" passed by the people's congress there.

There has been an increase capacity of 240,000 lines with the installation of switchboards this year. Pager-users now number some 310,000, an increase of 64 percent over that of last year and there are now 55,000 mobile-phone users, 150 percent more than last year. Some 522,000 homes now have a telephone installed, 60 percent more than last year.

Guangdong City To Begin Construction of Subway

HK2112054593 Beijing CHINA DAILY in English 21 Dec 93 p 2

[By staff reporter Li Wen: "Guangzhou To Start Subway Project"]

[Text] Guangzhou—The Guangzhou metro network is to conclude its 15th foreign equipment contract and start construction next Tuesday.

The subway is the city's largest infrastructural project ever launched by the local government.

Officials from the Guangzhou Metro Corporation, who are carrying out the 6 billion yuan (more than \$1 billion) project, said 11 deals have been completed for the first phase of the project.

Siemens AG, a German electronics giant, has received the majority of contracts in this \$500 million project.

During German Chancellor Helmut Kohl's visit to China last month, the company signed five contracts worth \$414 million with the Guangzhou Metro Company to provide electricity and telecommunications equipment.

German companies also signed deals in Shanghai's subway project. The Shanghai line went into trial operation in May this year.

Guangzhou officials awarded the United States and Britain six of the 15 deals in a bidding competition in which 13 countries participated.

America's Simplex Co and Carrier Co, Britain's Balfour Beatty Co and General Electric Hong Kong Co have concluded deals worth \$34 million to provide subway equipment.

Officials said four other deals are under way and will be completed at the beginning of next year.

As the capital city of Guangdong Province has boomed, the city's transportation has worsened.

The shortage of roadways is so acute that it is estimated there are only three square metres of asphalt per resident.

Zhu Senlin, Governor of Guangdong Province, said the Guangzhou metro network is crucial to the city as Guangzhou designs to become an international business centre in 15 years.

Zhu said the metro will help ease traffic jams, improve the city's infrastructure and promote economic development.

Investment According to the plan, 790 million yuan (\$136 million) will be spent this year and 890 million yuan (\$153 million) next year on the subway system.

The subway is designed in a cross shape. The first stage, Metro Line 1, is 18.1 kilometres and will run from the Guangzhou Steel Plant to the Guangzhou East Railway Station. The east-west line includes 16 stations.

It runs through Fangchun, Liwan, Yuexiu, Dongshan and Tianhe districts, the city's busiest commercial areas.

Metro Line 1 is scheduled to be completed in five years. Its monthly passenger flow is estimated to be 1.13 million, or 15 per cent of the city's commuters.

The second phase of the project will begin after Metro Line 1 goes into operation in 1998. It will cover 17.8 kilometre from north to south.

Guangxi Increases Electricity Output in 1993

HK2112032393 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 17 Dec 93

[Text] Guangxi had generated 16.393 billion kwh of electricity by 15 December, fulfilling 104 percent of the state's annual plan, which was set at 15.7 billion kwh for the region, an increase of 14.58 percent over the same period last year. Its hydropower generation increased by 37.8 percent.

In electricity generation, Guangxi practices unified control and omnidirectional openness, thus speeding up the development of the power industry. All units have done well in repairing and maintaining power generating equipment, making production and work arrangements, and in overcoming difficulties caused by increases in fuel prices and transportation charges and by the uneven distribution of electric power. They have worked hard to generate and supply as much electric power as possible.

Since the beginning of this year, their electric power generation has increased each month. Now, Guangxi's electric power load and capacity have outstripped all previous records. In September last year, the No. 1 generating unit at the Yantai hydropower station was put into operation; in August this year, its No. 2 generating unit also went into operation. This power station alone has helped provide an increase of 1.752 billion kwh over the same period last year, 88 percent of Guangxi's total

increase in electric power production, thus alleviating the region's power shortage.

Staff members and workers in the electric power field have actively conducted power saving activities in the course of increasing power production. By the end of November, electric power departments throughout the region had saved more than 120,000 metric tons of coal and 100 million kwh of electricity.

Hubei To Use Satellite for Radio, TV Broadcasts

HK2112122193 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 17 Dec 93

[Text] With the formal approval of the Ministry of Broadcast, Film, and Television, as of June 1994 Hubei will transmit the programs of Hubei People's Radio, the Hubei Television Station, and the Chutian Economic Broadcasting Station via the Dongfanghong No. 3 satellite. This will fundamentally resolve the difficulties of the people throughout the province, particularly those in old liberated areas, ethnic areas, remote areas, and poor areas, in listening to radio broadcasts or watching television programs.

Located in the central plains, Hubei covers an area of 185,900 square km and has a population of over 55 million. Hubei is known as a province of 1,000 lakes and mountains cover 56 percent of the province's area. These complicated geographical conditions, full of lakes and mountains, have caused tremendous difficulties to the province's radio and television coverage. Despite gradual improvement in the province's radio and television coverage as a result of years of arduous construction by staff members and workers of radio and television departments throughout the province under the leadership of all-level party committees and governments, about 30 percent of the province's population still has no access to provincial radio or television programs. Such coverage is even lower in old liberated areas, ethnic areas, remote areas, and poor areas. Neither improving or constructing radio or television stations or relay stations on high mountains nor providing microwave circuits alone can help resolve the coverage problem in mountainous or remote areas.

The introduction of a satellite transmitter for the reception of provincial radio and television programs through ground receiver stations or relay stations in all parts of the province will help resolve the coverage problem of provincial radio and television programs in a comprehensive way as well as save lots of human, material, and financial resources. This will make it possible for the people in the entire country and even in some places overseas to listen to Hubei radio broadcasts or watch its television programs. This will play quite a positive role in propagating Hubei's reform and opening up, expanding its influence abroad, giving publicity to the construction of the three gorges project, speeding up Hubei's economic construction, and promoting the opening and development of the Chang Jiang economic belt.

Now the Hubei Provincial Radio and Television Department has already formed a special group to take charge of the relevant preparatory work so as to ensure that Hubei provincial radio and television programs will be formally transmitted via satellite throughout the province and the rest of the country after the successful launching of the Dongfanghong No. 3 satellite in June 1994.

Huber Works on Iodine Deficiency Syndrome

HK2112113493 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 18 Dec 93

[Text] The iodine deficiency syndrome is tending upward in the province. So far there are more than 400,000 such patients. This syndrome can be found in 67 counties and cities.

Yesterday the provincial government held a meeting to call on the entire province to strengthen precautions against this syndrome. A prolonged lack of iodine in food can cause one's neck to become bigger than normal and descendants may also suffer from dementia. In the past, different localities in the province had the habit of supplying iodized salt and made good achievements in basically controlling the iodine deficiency syndrome. In 1985 the province was commended by the local disease control group of the central government. In recent years, some manufacturers and dealers, out of consideration for higher profits, have irresponsibly sold noniodized salt to urban and rural civilians, causing a prominent rise in the iodine deficiency syndrome. To control this syndrome, the provincial government requests all-level governments and departments to pay close attention to this situation.

In his speech, Governor Jia Zhijie demanded conscientious implementation of instructions of the central meeting, the carrying out of comprehensive preventive measures, the strict prohibition of the influx of noniodized salt and poor quality salt into the market, and a guarantee for the planned production and supply of iodized salt, so that urban and rural residents can have standard iodized salt. All-level governments should pay close attention to this, the relevant departments should share common efforts in exercising management, and the iodine deficiency syndrome should be eliminated in this century.

Vice Governor Han Nanpeng presided over yesterday's meeting.

North Region

Beijing 'Emergency Meeting' Sets Price Controls

HK2112055493 Beijing CHINA DAILY in English 21 Dec 93 p 3

[By staff reporter Hong Xia: "Emergency Measure To Check Price Hikes"]

[Text] Beijing officials have imposed price controls on 27 major commodities.

Special commissions have been sent to check the price and quality of goods in both free markets and government controlled stores.

The municipal government held an emergency meeting on Saturday [18 December] and ordered the price controls, which covers daily necessities from rice to pork. The prices of grain, rice, cooking oils, pork and eggs have risen 30 to 40 per cent in the past week.

For instance, one kilogram of fine dried noodles rose from 2 yuan (\$0.34) to 2.6 yuan (\$0.45). And the price of peanut oil jumped from 5.8 yuan (\$1) to 8 yuan (\$1.4) per kilogram.

One reason for the price rise may be fewer goods on store shelves. Many farmers this year have not handed in their grain in anticipation of higher prices next year, the Beijing Price Bureau said.

Another reason is that many grocery stores increased prices when consumers, thinking that prices would rise next year, started buying more.

Vice-Mayor Wang Baosen assure the capital's residents that there is no shortage of grain, meat and vegetables.

He urged departments to tighten inspections and said those shops that raise prices beyond State limits will be punished.

Residents can report unreasonable prices to local Price bureaus.

"Through stabilizing the market prices, we can ease the pain on residents who go shopping during the New Year and the Spring Festival," said the city's Party Secretary Chen Xitong.

Since Saturday, Chen and Mayor Li Qiyan have accompanied officials from the Beijing Price Bureau to inspect prices at grain shops and grocery stores in the capital.

The price of grain, cooking oil, vegetable, meat and eggs in many State owned shops have returned to normal levels.

The municipal government plans to offer subsidies to State-owned shops selling grain and cooking oil, Beijing Price Bureau officials said.

As the market economy develops, grain, cooking oils and other foods have been pushed to the free market in the capital.

In May this year, price controls on grain and edible oils were lifted. Beijingers said good-bye to rice rationing and began to pay more for rice.

But under the new grain policy, the State still inspects rice quality regularly.

And in certain cases—such as the present—the government intervenes in the market to ensure that prices do not get too high.

Besides Beijing, 34 large cities in China such as Tianjin, Shanghai and Shenzhen have launched campaigns to inspect product quality.

Those stores selling fake and inferior goods are to be punished and their names publicized.

State Council Approves Beijing Construction Plan
*OW2112075293 Beijing XINHUA in English 0542
GMT 21 Dec 93*

[Text] Beijing, December 21 (XINHUA)—Beijing will build a modern communications network over the next 20 years to meet the needs of the capital's rapid economic development.

This is part of an overall plan for urban construction approved by the State Council.

According to the plan, Beijing will build more highways, railways and other transportation facilities.

Highways in the city's urban area will amount to more than 3,000 km, consisting of four ring roads and 25 intra-city roads.

Railway and civil aviation construction projects will be speeded up.

Besides the western railway station now under construction, Beijing will also expand its three other railway stations.

In addition to the existing eight arterial railways across Beijing, several new lines are being or will be built. By the year 2010 the number of trains serving Beijing will be doubled to about 290 pairs a day.

The capital international airport will be expanded to an annual handling capacity of handling 43 million passengers by the same year. The construction of another civil airport is under consideration.

More emphasis will be put on construction of subway lines. About 120 km of subway lines will be built around the city. By then, Beijing will have 12 subway lines, with a total length of 300 km.

In addition, by 2010 the city is expected to have 9,400 buses and trolleybuses, transporting five billion people a year.

More taxis will appear on the streets, and by 2010 the city will have more than 200 parking centers to accommodate 34,000 cars.

Beijing has taken the lead in transportation construction among large cities in China. To date, Beijing has 11,000 km of highways, more than 100 km of which are expressways.

Inner Mongolia Reports Educational Results

SK2112082393 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 20 Dec 93

[Summary] Over the past 15 years of programs in reform and opening up, Inner Mongolia Autonomous Region has achieved prosperous development in undertakings in science and technology, and public health along with the rapid economic development in the region.

According to the statistical data recently disclosed by the state statistical bureau, By the end of 1992 the region possessed 19 general higher education institutions and showed a four institution increase over 1978. It had 101 secondary specialized schools and showed a 17 school increase over 1978. As of now, the region has had 382 agricultural and animal husbandry vocational middle schools. The centers and networks of adult education have been set up everywhere in the region. The region's number of college students per 10,000 population reaches 14.5 persons and particularly the number of college students per 10,000 minority population reaches 20.6 persons and that of Mongolians reaches 22 persons. The region's numbers of minority college students and of Mongolian ones have surpassed the national average levels. By 1992, the region possessed 3,640 middle and primary schools run by the minority people and the number of minority children studying in these schools reached more than 740,000 persons.

Giving priority to developing minority nationalities' education has greatly upgraded the cultural quality of minority nationalities and people of talent in the science and technology front have come forth in large numbers and scored countless achievements in research work. According to incomplete statistics, since 1985 the region has turned out more than 5,000 scientific and technological results. Of these results, 22 have won the national prizes and more than 1,400 have won the regional prizes for scientific and technological achievements and progress. More than 15 percent of scientific and technological results have been used in the course of production practice and resulted in marked economic and social benefits.

Along with the development of education and science and technology, the region has obviously accelerated the pace of developing the undertakings of public health. The region's number of public health organs has increased from 4,000 in 1978 to more 5,200 at present. By the end of 1992 the region's number of public health personnel reached more than 100,000. During the period from 1978 to 1988, these public health personnel won more than 100 regional or national prizes for medical science and technology.

Ice-Laden River Causes Inner Mongolia Flooding

HK1812065493 Beijing CHINA DAILY in English 18 Dec 93 p 3

[“CD News” report: “5,200 Left Homeless by Flooding Yellow River”]

[Text] More than 5,200 people were left homeless when two towns and seven villages were flooded by overflow from an ice-jammed Yellow River in Inner Mongolia Autonomous Region.

There have been no casualties, according to the Ministry of Civil Affairs.

The lower river's channel was blocked on December 7 by an ice run which caused the waterway to overflow its banks in three places in Dengkou County. The resulting deluge toppled at least 80 houses and affected another 1,250 farming households, leaving more than 5,200 homeless.

Local officials rushed to the disaster-stricken areas to organize relief operations.

An emergency squad, composed of more than 500 soldiers stationed nearby, was sent to seal the breaches. As of yesterday, three breaks had been checked.

The homeless have been moved to areas near four reception centres established to help them, the ministry's officials said. Parts of the Yellow River are usually blocked by ice for two or three months every year. The frozen area can extend hundreds of kilometres, mainly on the border of Henan and Shandong provinces. Flooding caused by ice flows has always been a threat for residents living along the river's lower reaches.

Tianjin Secretary Visits Film Studio

SK1712052893 Tianjin People's Radio in Mandarin
2300 GMT 16 Dec 93

[Excerpts] On the afternoon of 16 December, Gao Dezhuan, secretary of the municipal party committee, went to the Tianjin film studio to watch the television

series, that had just been made, entitled "Hurricane," a theme of revolutionary history; and also held talks with the drama producers.

Li Jianguo, deputy secretary of the municipal party committee; and Liu Fengyan and Luo Yuanpeng, members of the standing committee of the municipal party committee, watched the television series and also attended the talks.

Liu Xiliang, vice minister of radio, film, and television; and responsible persons of the central television station paid a special visit from Beijing to attend this activity. [passage omitted]

The filming and broadcasting of the series is an important component part of the municipality's activities to commemorate the 100th birthday of Mao Zedong.

On behalf of the municipal party committee and the municipal government, Gao Dezhuan expressed thanks to all comrades of the Tianjin film studio and the personnel who were engaged in the creation of the series; and thanked the Ministry of Radio, Film, and Television and the central television station for their assistance in filming the series. [passage omitted]

Comrade Gao Dezhuan pointed out: 1994 is a key year to speeding up Tianjin's development. The great development of reform, opening up, and economic construction has set forth new higher requirements for building the spiritual civilization. Literary and artistic workers should play a key role in building the spiritual and material civilizations, make efforts to reflect the spirit of the times, and vigorously carry forward [words indistinct]. The workers in literary, music, fine arts, drama, film, television play, quyi, acrobatic, calligraphic, and photo-taking spheres should create a large number of excellent works that are healthful to the people; are suitable to the progress of reform, opening up, and modernization; and have artistic charm.

Present at the talks were more than 30 people, including some theoretical and literary and artistic critics.

ARATS, SEF Discuss Hijacker Repatriation

OW2112125793 Beijing XINHUA Domestic Service in Chinese 0915 GMT 21 Dec 93

[By reporters Wu Ming (0702 2494) and Xue Jianhua (5641 1696 5478)]

[Text] Taipei, 21 Dec (XINHUA)—Negotiators of the Association for Relations Across the Taiwan Strait [ARATS] and the Straits Exchange Foundation [SEF] conducted, by agreement, negotiations, from late 20 December to early next morning, on cross-strait repatriation of hijackers and repatriation of people entering each other's area in violation of relevant regulations and other issues concerned. On the issue of repatriation of hijackers, the two sides have by and large reached a consensus and were searching for more proper and precise wording. They exchanged views on the remaining problems awaiting solution and decided on the framework for an agreement.

At working talks this morning, negotiators from the two sides discussed repatriation of people entering each other's area in violation of relevant regulations and other issues concerned. ARATS Deputy Secretary General Sun Yafu said in a briefing that the two sides have, through negotiations, decided on the framework of an agreement in this regard, which covers methods of communications, principles governing repatriation, targets of repatriation, identity check of the repatriated personnel, time limits for response on repatriation matters, modes of transportation, hangover venues, accountability and compensations for injury or permanent damage caused by torture, and joint crackdown on criminals who instigate, organize, or transport people into each other's territory for profit.

Negotiators of the two sides also reached consensus this morning on procedures of providing convenience for the exit of SEF and ARATS personnel on official business. The agreement will be put into effect after they are approved by the two organizations. The procedures are formulated pursuant to article 5 of the "Agreement on Institutionalized Contacts and Talks Between the Two Organizations."

Commentary on Taipei at APEC Summit in Seattle

OW1612020393 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 13 Dec 93

[“Excerpts” from a ZHONGHUA GONGSHANG SHIBAO commentary entitled “A Matter for Regret at the APEC Conference”; from the “News and Current Events” program]

[Text] Listeners: While officials attending the recent Asia-Pacific Economic Cooperation [APEC] conference were greeting each other with a little bit of exaggerated warmth, the tentative contacts during the APEC conference that most outsiders had generally predicted both

sides of the Taiwan Strait would hold on investment, trade, and various other issues did not take place. We cannot but say it was a matter for regret at the conference. The mainland's ZHONGHUA GONGSHANG SHIBAO recently published a commentary written by (Wang Qiang): “A Matter for Regret at the APEC Conference.” The following is a report by Liu Yueyue of excerpts from the commentary:

[Begin Liu recording] Listener friends: Both the mainland and Taiwan participated in the APEC conference as members of it. In providing an occasion for both sides of the Taiwan Strait to meet each other at ease, the conference made it possible for them to conduct tentative high-level contacts. However, on the eve of his departure for the United States, Xiao Wanchang [Hsiao Wanchang], head of the Taiwan delegation and chairman [of the Council for Economic Planning and Development] of Taiwan's Executive Yuan, suddenly announced that he would not hold any contacts with the mainland during his visit to Seattle, in emphasizing that the current policy on economic relations and trade with the mainland will remain unchanged. Obviously, the no-contact stand taken by the Taiwan authorities made this rare possibility come to nothing. There is a saying in China: Do not let an opportunity pass by, for it may never come again. Anyone who knows but a little about cross-strait affairs would feel sorry about the Taiwan authorities' passing up a good opportunity so lightly.

As everyone knows, although the Taiwan authorities consistently adopt a policy of three no's [no contacts, no negotiations, and no compromises] toward the mainland, both sides have already acquired considerable experience and a foundation for cross-strait relations, because economic contacts, trade, and investment have been carried out in various fields and at various levels. If the Taiwan authorities continue to turn a blind eye to that fact and refuse contacts and the three exchanges [exchange of mail, air and shipping services, and trade] by creating obstacles, they will appear to be a bit insensitive to the times. Moreover, the Taiwan authorities should be aware that, viewed from the perspective of the whole Chinese nation, the interests and desires of the people on both sides of the Taiwan Strait are identical. Cross-strait economic contacts and trade over recent years show that there are still very great potential and room [for development] if political considerations are dismissed. This is just like the fact that many manmade obstacles to trade in the Asia-Pacific region or in East Asia still exist. If the countries in the Asia-Pacific region can reach a consensus and gradually overcome the existing obstacles, it will be possible for them to greatly increase the interregional trade volume, which accounts for only about 40 percent of the total trade volume in the whole region. Perhaps this was why President Clinton frequently cast amorous glances at East Asia during the APEC summit. In other words, if the countries and areas in the East Asia region can eliminate manmade obstacles to economic contacts and trade, it would become a driving force for growth in the region and, furthermore,

would help ease the trade imbalance between different areas. It should be all right to apply such a practice to cross-strait relations. In other words, if both sides of the Taiwan Strait can minimize their political confrontation, it will be conducive not only to further cross-strait contacts in the near future but also to peaceful reunification between the two sides of the Taiwan Strait in the long run.

This is particularly the case because Taiwan in recent years has been dedicating itself to establishing itself as the operations center of the Asia-Pacific region. However, if it wants its dream to come true, a very important prerequisite is that it must make efforts to develop cross-strait relations. As Deputy Secretary General Shi Qiping [Shih Chi-ping] of the Straits Exchange Foundation said this year: If Taiwan wants to use the mainland as the hinterland of its development and strives to establish itself as the operations center of the Asia-Pacific region, cross-strait relations must develop smoothly; otherwise, it will not be easy for Taiwan to succeed in this endeavor. Judging from this, we can see

that developing cross-strait relations is also the road that Taiwan must take for its future development.

It appears very important for Taiwan that both sides use APEC as a relay station to hold tentative contacts against the aforementioned backdrop. The Taiwan authorities really should not be so sensitive, so hesitant to press forward, and so relentless. Because the Taiwan authorities refused to hold contacts and discussions with the mainland even under the framework of APEC, thereby letting pass by cross-strait relations' turning point in enjoying beneficial development, it is really hard for people to evaluate their courage, forbearance, and wisdom. In short, the continued development of cross-strait relations is in keeping with the trend of the times independent of man's will. The argument is very simple, for it not only will benefit the people on both sides of the Taiwan Strait but also will contribute to the development of the Asia-Pacific region. Our nation has already lost too many opportunities, and there are but few opportunities left to us. It is hoped that the Taiwan authorities will have an objective understanding of the realities as well as a correct assessment of the future. [end recording]

Taipei Plans 'Tough' Tactics Against Hijackings
*OW2112110593 Tokyo KYODO in English 1012 GMT
21 Dec 93*

[Text] Hong Kong, Dec. 21 KYODO—Taiwan plans tough new tactics to deal with hijacked planes from China unless cross-straits negotiators can resolve their differences on the issue, a Taiwanese newspaper reported Tuesday [21 December].

In future, the Taiwan authorities will detain both the aircraft and Chinese crew for an unspecified length of time to conduct a thorough investigation, the UNITED EVENING NEWS said, quoting an unnamed senior official dealing with mainland affairs.

Other passengers would be immediately flown back to the mainland aboard other aircraft, it said.

Taiwan currently arrests and tries hijackers but returns the plane, passengers and crew to China within a matter of hours.

The change in tactic is believed to be an attempt to put pressure on Beijing to help resolve the problem following a spate of nine hijackings since April.

Negotiators from nongovernmental organizations representing the two sides have failed to broker an agreement on the issue during talks in Taipei which are due to end Wednesday.

No 'Major Results' From SEF-ARATS Talks
*OW2112084893 Taipei CNA in English 0818 GMT
21 Dec 93*

[By Bear Li]

[Text] Taipei, Dec. 21 (CNA)—Negotiators at the ongoing talks between Taipei's Straits Exchange Foundation (SEF) and Mainland China's Association for Relations Across the Taiwan Strait (ARATS) concluded a fourth day of meetings without major results.

However, the delegates did reach an agreement on measures facilitating cross-Taiwan Strait visits by ranking SEF and ARATS officials during morning negotiations.

Under the agreement, both SEF and ARATS officials will be afforded relaxed travel restrictions and simplified customs clearance procedures.

Major differences remained on the more pressing issues of hijacker repatriation, illegal immigrants and resolution of fishing disputes.

Hsu Hui-yu, SEF deputy secretary-general and Taipei's chief delegate to the talks, said that although chances the two sides will reach an accord on any of the three major topics is slim, they still will make a last-ditch effort in negotiations Wednesday [22 December].

He added that the two sides will exchange the texts of new draft agreements on the issues Wednesday, but most

of the discussion will be about investment protection for Taiwan investors in Mainland China.

The possibility of extending the talks for a few more days still exists, Hsu noted.

Hsu's remarks contrasted with those of his mainland counterpart, ARATS Deputy Secretary General Sun Yafu, who said his delegation will leave for home as scheduled on Thursday.

Local observers said that the mainland delegation may be leaving empty-handed because of Beijing's reluctance to recognize Taipei's jurisdiction over the Taiwan area, which they said is the basic factor preventing two sides from reaching any agreement.

ARATS Requests Permission To Pay Visit

*OW2112050693 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
20 Dec 93*

[From the "Hookup" program]

[Text] As far as the date for the visit to Taiwan by Tang Shu-pei [Tang Shubei] and Chou Che-kai [Zhou Zhekai] of the mainland's Association for Relations Across the Taiwan Strait [ARATS] is concerned, ARATS in a letter to the Strait Exchange Foundation [SEF] on the afternoon of 20 December expressed the hope that ARATS Executive Chairman Tang Shu-pei, and Chou Zhe-kai, vice chairman and concurrently secretary general, will be able to pay a five-day visit to Taiwan at a mutually agreeable date within this year.

In answering reporters' questions about ARATS' letter, SEF Secretary General Chiao Jen-ho said that he was unable to answer its question because he would need instructions from the Mainland Affairs Council [MAC] before he could give a reply to the ARATS letter. Currently, SEF officials are busily engaged in the talks in Taipei. He probably will give a reply to ARATS after the talks are wrapped up.

SEF Deputy Secretary General Shi Hwei-you explicitly expressed the hope that Tang Shu-pei can come to Taiwan to sign the document after concrete results are produced and an accord is reached at the Taipei talks.

Reports from the mainland, however, indicate that ARATS' Tang Shubei and Zhou Zhekai have booked plane tickets for an early morning flight to Taipei via China International Airlines flight CA- 101 at 0750 on 22 December. If Taipei agrees to their visit, or the two organizations reach an accord at the Taipei talks, the two officials can fly to Taipei to initial the accord.

The Beijing-based ARATS has maintained a silence over Tang Shu-pei's itinerary. Pressed by reporters, the personnel concerned only said that they had nothing to say before the arrival of the SEF's telexed notification. As a matter of fact, Tang Shu-pei has already booked a

China International Airlines' first-class ticket to take flight CA-101 from Beijing to Hong Kong on the morning of 22 December.

Economics Minister Comments on GATT Accord

OW1812021893 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 16 Dec 93

[From the "Hookup" program]

[Text] Following the striking of the gavel, GATT Secretary General Sutherland announced that the seven-year-long Uruguay Round GATT talks had come to an end. Delegates of the 117 signatories to GATT approved a new global free trade accord which, by removing trade barriers, reducing tariffs, and taking other market-opening measures, will bring global economic growth into the 21st century. Economists have estimated that the free trade accord will expand the global economy by \$6 trillion in the next decade. All merchandise, services, agricultural products, textiles, as well as intellectual properties have been regularized by the GATT accord.

Economic Affairs Minister P.K. Chiang yesterday pointed out that, following the GATT accord, talks in 1994 on the Republic of China's [ROC] GATT membership will be crucial to the country's economic development. He expressed his hope that all fellow countrymen would cooperate to turn the crisis of the impact into an opportunity to enable the country to sustain its economic development in the process of global trade liberalization. He said that the Economic Affairs Ministry would adjust its policy according to the results of the final accord of the Uruguay Round talks and would try to complete a report as soon as possible for the highest decision-making body.

He added: As for tariff concessions, import controls on agricultural products, and other issues which will be brought up at the talks on the ROC's membership, the institutions concerned will soon hold a group strategy meeting to study an initial plan to be presented at the talks to show the ROC's sincerity about readjusting its economic and trade system to join GATT. Minister Chiang said:

[Begin Chiang recording] We soon will bring up the problems we are facing for discussion at the group strategy meeting. The year 1994 will be a crucial year for us. If all of us work hand in hand to overcome the difficulties lying ahead, the crisis would turn into an opportunity. Now that the global market will become increasingly bigger, I believe that we can sell our products in every corner of the world, as long as our products are [words indistinct]. This is a very good opportunity for us. [end recording]

Taipei Seeks GATT Membership Before 1995

OW2112095393 Taipei CNA in English 0828 GMT 21 Dec 93

[By Sofia Wu]

[Text] Taipei, Dec. 21 (CNA)—The Republic of China [ROC] will seek full membership in the General Agreement on Tariffs and Trade (GATT) by the end of next year, a ranking official said Tuesday.

"All government departments will work hand-in-hand to accelerate Taiwan's accession to GATT before the end of 1994 so that the ROC can be a founding member of the World Trade Organization (WTO)," said Hsueh Chi, vice chairman of the Council for Economic Planning and Development (CEPD).

Under the Uruguay Round accord, GATT will be replaced by the more organized WTO in 1995. If Taiwan fails to gain GATT membership before 1995, Hsueh said, it will be difficult for Taiwan to join WTO.

Taiwan currently holds observer status in GATT while waiting for admission as a full member.

The government's GATT task force, headed by CEP Chairman Hsiao Wan-chang and composed of officials from various government agencies, met Tuesday morning to discuss Taiwan's strategy to join GATT following the conclusion of the Uruguay Round of world trade talks.

The GATT working party screening Taiwan's membership application will call four meetings next year, Hsueh said. "We expect to complete all consultation procedures during the four sessions," he added.

Hsueh further said Taiwan need not complete adjustments of its overall trade regime according to GATT principles before its entry to the organization. "We need only to work out timetables for such adjustments," he explained.

Hsueh also reported that the government will gradually reduce nominal and real tariff rates from the current 8.9 percent and 4.2 percent to 7.1 percent and 3.5 percent, respectively.

Official: Taipei May Lower Car Import Tariffs

OW2112083293 Taipei CNA in English 0803 GMT 21 Dec 93

[By Y.C. Tsai]

[Text] Taipei, Dec. 21 (CNA)—The government will very likely lower import duties on small cars to 15 percent within five years in order to meet the Uruguay Round code of world trade talks under the framework of the General Agreement on Tariffs and Trade (GATT), an official said Tuesday [21 December].

The Uruguay Round, which concluded last week, reached agreement on a reform package intended to remove export barriers and thus reinvigorate the world economy.

Ou Cia-jui, a section chief at the Industrial Development Bureau, pointed out that countries to the Uruguay Round negotiations have pledged to cut tariffs on industrial and farm goods by an average of about 37 percent.

And those goods with import tariffs higher than 25 percent will be requested to trim tariffs by one half, he added.

Under such circumstances, he noted, the government is considering cutting import duties on small cars from the current 30 percent to 15 percent. Tariffs on heavy-duty vehicles might also be reduced from 42 percent to 21 percent.

Taiwan, which was accepted as a GATT observer in September last year, is looking to become a full member of the Geneva-based world trade regulating body next year.

Commenting on the tariff cut proposal, President Lin Hsin-yi of the Taiwan Transportation Vehicle Manufacturers Association urged the government to map out a grace period for the domestic car industry.

The government could consider lowering the tariffs by 1 to 2 percent annually in the first four years and by 15 percent in the fifth year, Lin suggested.

Domestic carmakers, which have invested billions in land acquisition, developing new models, and producing key parts and components, will be hard hit by abrupt tariff reductions by one half, he stressed.

Su Yen-hui, chairman of Kuozi Motors Ltd., warned that the substantial tariff reductions might force some domestic carmakers to close. There are 12 carmakers in Taiwan.

Another car manufacturer, who asked to remain anonymous, noted that he will relocate his production line to Mainland China if the government slashes import tariffs on small cars to 15 percent.

Taipei Considers Japan's Example for Rice Imports

OW2112143293 Taipei CNA in English 1341 GMT
21 Dec 93

[By Debbie Kuo]

[Text] Taipei, Dec. 21 (CNA)—Taiwan may adopt the Japanese formula of tariffication if it is forced to open its market to rice imports as one of the pre-conditions to becoming a full member of the General Agreement on Tariffs and Trade (GATT), an Executive Yuan official said Tuesday [21 December].

Tarification would be in line with the free-trade spirit resulting from the Uruguay Round accord and simultaneously take care of the interests of rice farmers at home, said Hsueh Chi, spokesman for the Council for Economic Planning and Development.

Taiwan currently has observer status to GATT, but hopefully becomes a full member by the end of 1994, Hsueh said.

Though Taiwan need not adjust its overall trade regime according to GATT principles before its entry into the organization, Hsueh said "We need to complete an assessment within one month on reduction of tariffs on farm products and lifting nontariff trade barriers."

He said the United States is planning to demand that Taiwan lower its tariff on farm product imports from the current 21 percent to 19 percent during Sino-U.S. economic consultations scheduled for next month.

Taipei To Relax Subsidies for Research Projects

OW2112102693 Taipei CNA in English 0822 GMT
21 Dec 93

[By Y.C. Tsai]

[Text] Taipei, Dec. 21 (CNA)—In an effort to promote research and development of industrial and high-tech products, the government has decided to further relax restrictions on subsidies, Vice Economic Affairs Minister Li Shu-chiu said Tuesday [21 December].

Any company with a paid-in capital of NT\$50 million (US\$1.85 million) or an annual business turnover of NT\$200 million (US\$7.40 million) is currently entitled to apply for government R&D subsidies.

Under the new decision, Li pointed out, all companies with a sound financial base will be entitled for government subsidies. Any company with a bank guarantee and an auditor's report issued by a certified public accountant can apply for a government R&D subsidy, he elaborated.

The new measure will be a great boon to small- and medium-sized enterprises in Taiwan, thereby helping promote the upgrading of Taiwan's industrial base, he noted.

The vice minister said the new measure is expected to be put into force in January.

Statistics compiled by the Ministry of Economic Affairs show that a total of [number indistinct] R&D projects have been approved for government subsidies since July 1990, for which the government provided NT\$2.79 billion (US\$103.33 million) in interest-free loans.

The loans accounted for about one-third of the total NT\$8.3 billion (US\$307.40 million) expenditures.

Li Teng-hui Discusses Agricultural Research

OW2012141593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 7 Dec 93

[From the "Hookup" program]

[Text] President Li Teng-hui said yesterday that along with the rapid development of industry and trade and the implementation of an international and liberal trade policy, the proportion of agriculture in the country's overall economy has gradually declined. However, this does not mean we no longer attach importance to agriculture. On the contrary, we are paying more attention to adjusting the way agriculture is being managed to keep abreast with the changes in our economic structure.

In his speech to a meeting marking the 20th anniversary of the Asian Vegetable Research and Development Center yesterday, President Li said: New agricultural environment and (?garden) crops will become a focus of country's agricultural development. In this transition period, our agricultural research institutions should take advantage of their geographic proximity to the Asian Vegetable Research and Development Center, which is located in Tainan's Shanhua Town, to cooperate with the center so that they can introduce the results of the center's research to farmers in Taiwan.

Statistics Show 'Recovering' Manufacturing Sector

OW1812093593 Taipei CNA in English 0816 GMT 18 Dec 93

[By Flor Wang]

[Text] Taipei, Dec. 18 (CNA)—Despite a continued worldwide economic recession, Taiwan's manufacturing sector has been gradually recovering since the beginning of the year, government statistics show.

The Council for Economic Planning and Development reported Saturday [18 December] that after sluggish growth in the first six months, the manufacturing sector rebounded in the third quarter, posting a quarterly increase of 4.1 percent. That compares with a 0.6 percent increase for the first quarter and a 1.3 percent increase in the second.

Heavy industries contributed more than 60 percent to total manufacturing output for the first time ever in the third quarter. The council said the statistics point to the beginning of an economic recovery after a sluggish first half of 1993.

Meanwhile, according to tallies released by the Directorate General of Budget, Accounting and Statistics (DGBAS), the manufacturing sector grew 29.2 percent during the past seven years, mostly fueled by the 57.4 percent growth in heavy industries.

The information industry posted the highest annual growth rate of any industry at 8.2 percent, followed by the machinery industry's 7.8 percent, and the chemistry industry's 4.1 percent.

Although the figures indicate that the nation's industrial level has been efficiently enhanced, research and development budgets of local companies are still relatively low compared with those of major industrial nations, the dgbas said.

According to the DGBAS, Taiwan's manufacturing sector poured a total of US\$1.56 billion into islandwide R&D projects in 1991, a twofold increase from 1986. The R&D expenditure percentage of the nation's gross national product also grew from 0.34 percent to 0.83 percent during in 1991, but the figure is still lower than the 4.7 percent of the United States, Japan's 3.3 percent, Germany's 2.6 percent and even South Korea's 2 percent.

Hong Kong

Central Military Commission Prepares for Garrison

HK2112095593 Hong Kong LIEN HO PAO in Chinese
20 Dec 93 p 2

[By special correspondent Tseng Hui-yen (2582 1979 3601): "China Reportedly Studies and Formulates Overall Plan for Stationing People's Liberation Army Troops in Hong Kong; Lei Mingqiu Is Most Likely To Be Appointed Garrison Commander"]

[Text] New York, 18 Dec—As revealed by New York's BEIJING ZHI CHUN [SPRING BEIJING], the CPC Central Military Commission (CMC) decided, before Chris Patten was appointed Hong Kong governor last year, to set up a special unit under the People's Liberation Army (PLA) General Staff Headquarters, to study and formulate an overall plan for stationing troops in Hong Kong. The special unit consists of cadres from the General Staff Headquarters Military Training Department, the Military Affairs Department, and the Information Department and is headed by Li Jing, deputy chief of general staff. The military leadership also discussed the candidates for commander of the garrison to be stationed in Hong Kong and Liu Mingqiu, member of the CPC Central Committee and deputy political commissar of the Guangzhou Military Region, is tipped to be hot favorite.

The latest issue of the BEIJING ZHI CHUN reprinted a signed article carried by the Chengdu magazine XINWEN QISHI LU [ENLIGHTENING NEWS], published in Sichuan, about China's plan to send armed forces to Hong Kong. The article also leaked word about the building up of anti-British Hong Kong authorities sentiment in the military.

According to the article, though it is too early to predict who will be appointed commander of the PLA garrison in Hong Kong since it is still four years until the changeover of Hong Kong's sovereignty, the military leadership has discussed the matter. Some people believed the ideal candidate should be a Cantonese who is familiar with the situation in both Guangdong and Hong Kong, who must not be too old, and who is now a lieutenant or major general. Lei Mingqiu, member of the CPC Central Committee and deputy political commissar of the Guangzhou Military Region, the article said, was regarded as the hot favorite. Lei Mingqiu was a major general when he was deputy commissar of the 42d Group Army under the Guangzhou Military Region and was later promoted lieutenant general when he was appointed to his present position. His army unit has been stationed in Huizhou, Guangdong, for a long time.

According to the Basic Law, the PLA garrison in Hong Kong is a unit under the CMC command, so its commander should be a member of the CPC Central Committee.

The article said: At the First Plenary Session of the Eighth National People's Congress held in Beijing 15 to 31 March this year, PLA representatives "expressed great indignation" over the "three violations" constitutional package put forward by the British Hong Kong authorities in the name of promoting democracy. Several key military leaders, including Liu Huqing, Zhang Zhen, Zhang Wannian, Yu Yongbo, Fu Quanyou, and Yang Baibing, former secretary general of the CMC, spoke in turn at the group meeting in support of the Chinese Government's solemn and just stand on the Hong Kong issue. They accused the British Hong Kong authorities of breaking faith with the Chinese Government and "of trying to maintain colonial rule after Hong Kong reverts to China in 1997." Some military leaders said: "The PLA regards safeguarding state sovereignty as its sacred duty. It will never allow the British Hong Kong authorities, or any other foreign forces, to prevent China exercising sovereignty over Hong Kong."

According to the article, among the military representatives who were filled with indignation, some suggested simultaneously publishing a statement in RENMIN RIBAO and JIEFANGJUN BAO in the name of a "PLA NPC delegation."

This proposal was approved by Liu Huqing and Zhang Zhen. As usual, the two editorial boards, after receiving the statement, sent the final proofs to Ding Guangen, head of the CPC Central Committee Propaganda Department, for deliberation, while assigning a space for the statement. Since the statement had been approved by Liu Huqing and Zhang Zhen, Ding Guangen, who could not make a decision by himself, asked General Secretary Jiang Zemin for advice. After the statement had been pigeonholed for two days, the editorial boards received a call from the Propaganda Department, telling them: "It is not proper to publish the statement for the time being because the issue is a sensitive one." Some analysts believed that the main reason for the decision was that the statement might cause uneasiness in Hong Kong as there had been a rumor overseas that the PLA might take over Hong Kong ahead of schedule; the Army was a sensitive unit; and the statement was strongly worded.

The article also revealed: Immediately after the Third Plenary Session of the Seventh NPC passed and promulgated the "Basic Law of the Hong Kong Special Administrative Region" in 1990, the CMC included the task of sending troops to Hong Kong after 1997 in its work plan. The CPC ordered the General Staff Headquarters, the General Political Department, and the General Logistics Department to earnestly study the Basic Law's provisions on Hong Kong's defense and step up their efforts to collect information about the status quo of Hong Kong's defense, including the tasks, military strength, and deployment of British Forces in Hong Kong. They were also asked to gather information about land for military use so that they could provide suggestions for the Sino-British Joint Liaison Group for reference when the group held talks on land for military use. In the beginning, the

military did not set up a special unit for the purpose nor did it set rigid tasks. The General Staff Headquarters, the General Political Department, the General Logistics Department, military scientific research institutes, and relevant experts handed over their information or suggestions to the foreign ministry and the Hong Kong and Macao Affairs Office in the form of digests. Not until Chris Patten succeeded David Wilson last year did the CMC decide to set up a special unit to study and formulate an overall plan for stationing troops in Hong Kong.

Beijing Seeks Larger Base for Navy After 1997

HK2112051593 Hong Kong SOUTH CHINA MORNING POST in English 21 Dec 93 pp 1, 5

[By Fanny Wong and Chris Yeung]

[Text] China wants a much bigger naval base for the People's Liberation Army (PLA) than the one Hong Kong is building for the Royal Navy on Stonecutters Island - a demand that has emerged as a key obstacle to full agreement on defence matters in the Sino-British Joint Liaison Group (JLG).

Experts from the two sides are to gather today for a new round of talks to try to resolve differences over the disposal of military sites, a subject which has been under discussion for more than seven years.

The two sides are now not far from an agreement on outstanding differences, which also include Britain's demand for a written commitment from China for the PLA to return any unused military sites to the Special Administrative Region (SAR) government.

It is understood that this week's meeting of defence experts was more a "technical" session. A Chinese official said he did not expect any "major breakthrough".

The biggest problem is understood to be the question of the naval base. The other is China's insistence on keeping Queens Lines in Queensway - which houses 40 families of the British garrison - as married quarters for PLA officers.

While there have been arguments over whether China would want the PLA naval base to be built on Stonecutters, it is understood Beijing has accepted the relocation of the base from Central.

Its size is now the problem, as China believes its navy would need a much bigger headquarters than the existing facilities used by the British Navy on the north side of the island.

The Chinese JLG team is understood to have argued for the need to extend the existing site southward by dredging more than 14 hectares of seabed and reclaiming six hectares of land in the island's basin.

The existing site joins wharfs to be used by the Royal Navy's fleet and also includes facilities for dangerous goods, stores, engineering, military communications and accommodation.

The British team is understood to be concerned at the financial and political implications of trying to lobby support from the Legislative Council [Legco] on such a move.

A Chinese source said Beijing was merely demanding a new naval base of a size "comparable" with HMS Tamar. "We've never asked for a much larger base than Tamar," the source said. The source pointed to the fact that aircraft carriers from overseas were able to anchor at Tamar, adding "the new base cannot be too small".

The PLA insists there is a "practical defence need" for a naval base with considerable size in the SAR. The source argued it was wrong to assume that the degree of PLA deployment after 1997 should be kept low because troops stationed in southern China could be deployed whenever necessary. "If that argument stands, the Chinese side does not have to send its troops here. The PLA deployment is not merely a show of sovereignty but has a deterrent effect," the source said.

It was also argued that the cost of building a new Stonecutters base would be much lower than the revenue generated from the sale of land at the Tamar site.

Moving the naval facilities has already cost taxpayers more than \$358 million and the British side is concerned that Legco might not approve further funds for building a bigger facility.

Until today, Beijing has yet to inform the British side of the total number of PLA troops to be based in the SAR, although some have put the figure at 10,000. The British team maintains a strength of 10,000 is probably too large for Hong Kong.

Another British concern over the cost implications for enlarging the naval base for the PLA is that, under the Sino-British Joint Declaration, China has promised that expenditure for the post-1997 military forces should be borne by the Central People's Government.

The British side noted that some legislators might argue against footing the expansion bill based on the joint accord.

Territory Cuts Share of Military Withdrawal Cost

HK2112051593 Hong Kong THE STANDARD in English 21 Dec 93 p 1

[By Rain Ren]

[Text] Hong Kong has effectively beaten off a British demand that it pay almost half a billion dollars above its normal defence budget towards the withdrawal of British troops from the territory. And in more good news for the

territory's coffers, Hong Kong's ordinary military bill is expected to fall after the withdrawal begins next year.

Secretary for the Treasury Donald Tsang said he was confident the defence bill next year would be lower than the present figure of \$1.6 billion. After four rounds of tough negotiations with the British Defence Ministry, an understanding was reached between the two sides that Hong Kong's share of military costs should be cut down from next year onwards, Tsang said in an interview with the SING TAO Group yesterday. Tsang has been back and forth to London for talks on the issue since August.

Presently, Hongkong is responsible for 65 per cent of military costs, or about \$1.6 billion per annum, according to the Defence Cost Agreement signed in 1988.

However, it is believed Britain later demanded that from next year, Hong Kong should spend 20 to 30 per cent more on defence than the agreed figure. This would have cost Hongkong an extra \$480 million. The British made the demand in an attempt to raise money to cover the costs of the withdrawal.

Money will have to be found to reimburse families of servicemen for costs incurred in the shift, for transportation of personnel and weapons, and for gratuities for senior officers.

Tsang said there had been long and heated bargaining between the two sides over the issue because the 1988 accord did not spell out Hong Kong's share of withdrawal expenses. Tsang said he was "shocked" at Britain's original request. But eventually he managed to persuade the British to accept "the political reality" of Hong Kong—the fact that any financial plan would have to win the approval of the Legislative Council.

Tsang also said if Britain chose to sell any weaponry, Hongkong would be entitled to a 65 per cent share of the profits.

The exact defence figures for the 1994-95 financial year have not yet been finalised and, according to Tsang, further negotiations will be needed between the two sides. He added that there were several ways Britain could save money during the withdrawal. It could speed up the operation, reduce the stock of weapons, cut down on military training costs and recruit more local personnel.

Tsang said there was no need to consult Beijing in this regard since the Basic Law stipulated that the British Hong Kong government should be responsible for defence until the handover. After the 1997 change of sovereignty, the Chinese central government will bear the cost of stationing People's Liberation Army forces in Hong Kong.

The British military force will begin withdrawing next summer, leaving about 3,000 personnel behind in the run up to 1997.

Tsang said: "Hong Kong will not bear any cost it should not bear, not even one cent."

He said there was no need for Hongkong people to worry about the possibility of the territory overspending on defence because the issue was now in the last stages of negotiation.

He said he was confident the outcome would be acceptable to the Legislative Council because it would be "fair and reasonable".

Urban Council Plans To Exhaust Reserves

HK1812063093 Hong Kong *THE STANDARD* in English 18 Dec 93 p 1

[By Winky Po]

[Text] The Urban Council plans to run down its reserves and go into the red just before Hong Kong reverts to China in 1997. Its reserves now stand at \$1.7 billion. Together with projected earnings, it will have to spend some \$24 billion over the next 42 months. But Urban Services Department Assistant Director of Finance Dan Manning denied extravagance or political motivation for the spending spree. "It's certainly not a case of profligacy before 1997," he said. Manning insisted that it was nothing unusual. "We usually present worst case scenarios for forward planning," he said.

But critics asked whether it was only a coincidence that all the money was being spent before 1997 and whether the urban councillors were capable of monitoring the planned expenditure. Critics who have seen the plans also called for information from the council, along with an explanation for the planned expenditure. Greater transparency was needed, they said. While the council has run into deficits before, it has not been known to eat up its reserves. Nor has the council run deficits for two consecutive years. It now plans to run into deficits from next year on.

The council runs the territory's municipal, cultural and recreational services. A document detailing the Urban Council's five-year financial forecast from 1993-94 to 1997-98 indicates that the council will run into increasing deficits for four successive years from 1994-95 onwards. Calculated on the basis of a 9 per cent rate of inflation, a deficit of \$376 million will be incurred in 1994-95. The deficit will reach a staggering \$1.1 billion by 1997 on this projection, according to the forecast. The council's reserves, now at \$1.7 billion will shrink to a deficit of \$381 million—after current expenditure is taken into account—when the financial year starts in 1997. At the end of the 1997-98 financial year the deficit will have risen to \$1.5 billion. The forecast shows that an inflation rate of 10 or 11 per cent driving the council into even more staggering deficits. [sentence as published]

Large increases in expenditure on capital works are planned for the next five years. The spending spree has already begun with a hefty 27.1 per cent increase in

expenditure over last year. Next year will see another increase of 11.2 per cent. A total of \$4.8 billion will be dished out on current and new capital projects over the five year period. These include the building of a \$240 million Central Library, six new market-and-games-hall complexes and two indoor games halls and other minor works.

Manning said these were not "big increases in real terms". "You will see that the reserves won't be depleted if calculated at current price levels. In fact, we will still have \$1.06 billion in reserves by 1997 based on this projection." When asked how the council would cope with the projected deficits, Manning said it would "go into discussions with the government" whenever there was insufficient money to carry out projects. "We'd ask the government to provide additional revenue if we anticipate deficits."

The forecast is now being examined by the council's various select committees and will be put before the full council for approval in January.

Editorial Discusses Government's Pension Plan

HK1712100293 Hong Kong *WEN WEI PO* in Chinese
17 Dec 93 p 2

[Editorial: "Increasing Tax in Disguised Form, and Shifting Misfortune to Special Administrative Region"]

[Text] In the remaining years of the transition period, Patten is continually changing the original characteristics of Hong Kong's social system, wreaking havoc on both political and economic operations. In a word, although the British are leaving, they do not want to see a smooth transition in Hong Kong. They are creating divisions and chaos in Hong Kong and testing China's ability to recover it.

On 15 December, the British Hong Kong authorities announced a draft old-age pension scheme which proposes a 3-percent compulsory contribution from both the employer and the employee so that those aged 65 and above could immediately receive one-third of the local average wage, and that as income increases in the future, so will the old-age pension. If implemented this year, the cost of the old-age pension will come to HK\$13 billion [Hong Kong dollars] annually, or 14 percent of the Hong Kong Government's expenditure. As Hong Kong's elderly population is increasing, the number of pensioners will rise continually, while the number of young and middle-aged contributors will decrease continually. If a wave of unemployment sets in, the number of contributors will become fewer and contributions will inevitably change into government expenditure, causing a heavy burden for the future government of the Hong Kong Special Administrative Region [SAR]. Then, if the SAR government refuses to pay this unbearable expenditure, it will have to bear the bad name of canceling such welfare.

To deceive the people of Hong Kong, the British Hong Kong authorities claim that they will not take the "beaten track of welfare systems in Europe and the United States" or levy an "elderly tax." Nonetheless, they have put on the tunic of "contributions." Underneath, the tunic in fact requires every worker or employee currently paying 15-percent tax on his salary to pay another 6 percent as an elderly tax (correspondingly, the employee will contribute 3 percent and the employer another 3 percent, which is in fact the employee's wages as the employer already counts it as part of his wages). If the two taxes are added, the tax rate will reach 21 percent.

This will be a major change to Hong Kong's tax system and administrative concept. There are several reasons why Hong Kong is so prosperous and stable. First, Hong Kong has a low tax system, not the high tax and welfare systems of Europe and the United States. Second, in the distribution of resources, Hong Kong does not use the "big pot" [with everyone paying the same taxes regardless of income] concept for its tax system, but the more one earns the more one gets and this discourages profiting from other people's toil. As for social welfare, Hong Kong gives a certain degree of care to every member of the community according to actual needs. The United Kingdom's tax and welfare systems have never been put into practice in Hong Kong over the last 100 years or more. Although Hong Kong does not have natural resources, its people work hard and laboriously and considerably reduce production costs, thereby attaining outstanding achievements in the face of acute world competition.

To continue and maintain the characteristics of Hong Kong society with regards to its tax system and financial management, the Basic Law has laid down that a low-tax system and the principle of keeping expenditure within the limits set by income be maintained. The British harbor ulterior motives now that they have, without consulting the Chinese side, introduced the old-age pension proposal, which will increase the tax rate in a disguised form and will pass a heavy burden to the future SAR government before their withdrawal from Hong Kong. Moreover, before introducing the proposal, the Hong Kong Government admitted that Europe and the United States have had unsuccessful experiences in implementing this type of scheme. Now, if it is a "cup of bitter wine," why is the Hong Kong Government going to impose it on the future SAR? Does it want to create a situation in which Hong Kong's prosperity cannot be maintained after 1997 without British rule?

The introduction of the proposal is also aimed at dividing Hong Kong people. Political groups upholding different views will argue over it. Employers and employees will become mired in acute contradictions. Citizens who immediately profit from the scheme without having to pay taxes will look at the question differently from middle-aged taxpayers. The wealthy class, which does not need government security, will also get the pension, whereas the lower class, which really

needs it, will find its interests chipped away. Self-employed citizens who have never had to pay taxes can now reap where they have not sown, while industrious workers who paid taxes for several decades will get nothing at all if they die as a result of accidents at work before reaching 64 years of age. Those who have joined private provident fund plans will have to contribute to two schemes in the future, while those that have not joined will only have to contribute to one. If the balance of interests is tilted, social groups with different interests will argue and complain against one another, as politicians use political and diplomatic means to divide the community, causing unrest throughout the whole city and endless disputes in the Legislative Council.

Like writing checks and doing favors for others indiscriminately, they will forcibly offer welfare to those who do not need it while increasing taxes on low-income taxpayers who need looking after. The main characteristic of this proposal, where they have exceeded their power, is that it has changed the SAR's principle of taxation and restricts the direction in which the future SAR will use its finances.

In the UK's last general election, Chris Patten proposed a "poll tax" and was rejected and condemned by the electorate. He will surely run into a stone wall again if he wants to impose an "elderly tax" in the remaining three years of his governorship of Hong Kong.

Legislators To Back Unilateral Amending of Laws

HK2012080293 *Hong Kong SOUTH CHINA MORNING POST* in English 20 Dec 93 p 3

[By Doreen Cheung]

[Text] Legislative Councillors are set to support the Government's intention to "go it alone" in amending Hong Kong laws to bring them in line with the change in sovereignty in 1997, despite Chinese objections.

It is understood that China will not agree to any amendments being tabled to Legco [Legislative Council] without Beijing's endorsement.

Any such move would be seen as a violation of the principle of consultation on matters straddling 1997 as laid down in the Sino-British Joint Declaration.

China is empowered to invalidate such laws. Under the Basic Law, the Standing Committee of the National People's Congress can invalidate any Hong Kong laws which do not conform with the mini-constitution.

However, legislators from different political camps said they were prepared to support the British move to prevent a legal vacuum by 1997.

The amendments are supposed to be agreed in the Sino-British Joint Liaison Group (JLG), but work has come to a virtual halt since the row broke over Governor Chris Patten's reform plans.

United Democrat Yeung Sum said the emergence of a legal vacuum would be detrimental only to the Special Administrative Region and the Chinese Government.

Mr Yeung urged both sides of the JLG to separate politics from the work of the diplomatic body.

Chairman of the Liberal Party, Allen Lee Peng-fei, said supporting the Government was the only way out of the current impasse in the JLG.

"We have no choice. The two governments are set to go their own way," he said.

Chairman of Meeting Point, Anthony Cheung Bing-leung, said Legco could not stop scrutinising bills submitted by the Government even in the absence of Chinese blessing.

He hoped China could accept changes to Hong Kong laws and would not overturn such legislation after 1997.

Frederick Fung Kin-kee of the Association for Democracy and People's Livelihood (ADPL) said his group would prefer unilaterally passing the amendments to leaving a legal vacuum by 1997.

But the pro-Beijing Democratic Alliance for the Betterment of Hong Kong (DAB) had reservations.

DAB legislator Tam Yiu-chung suggested that the Government publish the bills for public consultation before going to the council.

The British senior representative of the JLG, Hugh Davies, told the ADPL on Thursday that the Government might have to table all the necessary legislative amendments to the Legislative Council to be passed before 1997.

It is understood that the Government is contemplating tabling 10 pieces of draft legislation concerning the controversy in the current Legco session.

The legislation covers range of issues including patent rights, prevention of terrorism, and so on.

Party Doing 'All It Can' for UK-PRC Talks

HK2012081293 *Hong Kong THE STANDARD* in English 20 Dec 93 p 4

[By Ming Man]

[Text] Hong Kong's largest political party has declared it has done "all it can" to get Britain and China to resume talks over Hong Kong's political future.

Leader Allen Lee said the Liberal Party had no current plans to go to Beijing on a diplomatic mission. "We've done all we can to get the talks going," Lee said.

He said he had spoken to Governor Chris Patten twice about the breakdown in talks.

"He (Patten) didn't seem to want to listen," he said.

The party is seen to have some influence in Beijing circles as four of their members—Lee, Steven Poon, Ngai Shiu-kit and Lau Wong-fat—are Hong Kong advisers to Beijing.

Vice-chairman Ronald Arculli said his party would be considering how to make the two sides accountable to the Joint Declaration.

Arculli claimed Britain and China were breaking the spirit of the Joint Declaration as they had promised to cooperate in the lead-up to the handover in 1997.

"We have a total breakdown in co-operation, with both sides refusing to speak to each other," he said.

In a letter to Arculli, the Secretary for Constitutional Affairs Michael Sze said the people of Hong Kong did not have the legal recourse of taking the two sides to court.

"The Joint Declaration is a bilateral treaty between the United Kingdom and the People's Republic of China," Sze said. "As such it creates rights and obligations under international laws for the two governments who are partners to it. It does not create any legal rights or obligations for the people of Hong Kong and the latter cannot as a matter of law seek to enforce it against the two governments.

But Arculli said even though the people of Hong Kong seem to be helpless and had no legal redress, they could still force both sides to talk by making their voice heard.

Trade Union Expects Record Membership Level
HK2012081593 Hong Kong THE STANDARD in English 20 Dec 93 p 1

[By Tonny Chan]

[Text] Membership of the pro-China Federation of Trade Unions (FTU) is set to break the landmark figure of 210,000 workers—taking it back to its record high of a decade ago.

The latest count shows that China's biggest labour ally in Hong Kong has overcome its slump after the 1989 Tiananmen Square crackdown and its build-up has entered a new phase.

By October this year, the number of unions affiliated to the FTU had increased to 98—91 with full affiliation and seven associates.

According to the count, the full affiliates, covering virtually every blue- and white-collar industry, have a total of 209,000 members. This is a 10 percent rise in full membership from last year's 190,000 members, doubling the rate of increase in the past three years.

FTU chairman Cheng Yiu-tong said the statistics did not include two unions whose applications for federation affiliation would be completed soon.

When the two unions' applications were formally approved, full affiliates would number 92 and there would be eight associates.

After the Tiananmen crackdown the FTU membership dropped to 175,000 within six months. In 1991 the FTU declared a total of 180,000 members and the number rose to 190,000 last year.

Cheng, also a deputy to the National People's Congress, said an ongoing program to reorganise the FTU secretariat was about to be completed.

The secretariat was being transformed into two departments with a one-third staffing increase from 30 to 40 people.

Cheng said the staff might continue to grow.

One of the departments consists of committees dealing with specific community topics such as women's concerns and labour rights.

In theory, this section was supervised by Cheng. The daily operation is run by FTU executives Chan Yuen-han and Wong Kwok-hing.

Both Chan and Wong are also members of the Chinese political party flagship, the Democratic Alliance for the Betterment of Hong Kong (DAB).

The second department deals with administration, covering membership and routine administrative work as well as providing back-up for the other department.

The administration side came directly under Cheng, who, a source said, was deeply involved in daily operations.

The source said the DAB was a brainchild of the FTU, which had concluded that a political vehicle separate from the FTU was essential in the light of failures in the 1991 elections.

The FTU leaders also believed it would only hinder their membership recruitment efforts if the federation's labour image continued to be blurred by politics.

The source said that until the DAB's formation in 1992, the FTU had been seen as China's flagship in both labour and politics.

"Now, reporters approach the DAB to ask questions on politics and the FTU on labour concerns," he said.

Cheng said the labour federation would continue to form pressure group-style service centres across Hong Kong until there was one in every legislative Council constituency.

Cheng said their next service centre would be opened in Tseung Kwan O. The five already in operation are in Island South and East, Kowloon Central and East and the New Territories West.

Each service centre was manned by up to five workers.

Cheng said they had deployed "very experienced" union workers to lead the centres, adding that the leaders had passed special education programs organised with local and Guangzhou universities.

Editorial on Union Membership

HK2102081493 Hong Kong THE STANDARD in English 20 Dec 93 p 2

[Editorial: "Union's Surge Shows More Than Any Polls"]

[Text] The landslide victory of the United Democrats and two other liberal groups in the 1991 Legislative Council elections sparked a critical introspective review by their opponents of their own record.

"Where did we go wrong?" "What lessons can we learn from our defeat?" If there was any one factor that united the Hong Kong electorate in 1991 it was the memory of Beijing's bloody crackdown on the pro-democracy movement in June 1989. But memories, like bloodstains, begin to fade after a while.

It is said that time heals wounds so imperfectly that some scars never really disappear. But while we may still remember what happened in 1989, the success of a union recruitment drive seems to indicate that people are willing to put those memories behind them.

News that membership of the pro-Beijing Federation of Trade Unions (FTU) is set to break the landmark figure of 210,000 is a sign that Tiananmen is unlikely to be a major factor in future elections.

The FTU has long been identified as a left-wing force. Observers have spoken of a higher level of Chinese nationalism within the organisation these days.

The FTU's success was based on a simple calculation: the man or woman in the street is more concerned about pocketbook issues than with four-year-old massacres.

The FTU made another simple calculation. The leadership realised that Hong Kong people were more sophisticated and better educated these days. They were more likely to ask tough, searching questions and less likely to be fobbed off with vague non-specific answers. To meet this challenge, the organisation has made a deliberate attempt to upgrade the quality of its personnel.

The surge in FTU membership contrasts oddly with the results of opinion polls showing that the seemingly endless Sino-British wrangling has not seriously dented public support for Governor Chris Patten's reforms.

Sceptics insist that opinion polls have little more validity than tea-leaf readings and the unanimity displayed in any survey is more illusion than reality. Public response to pollsters is very much dependent on the way the questions are framed.

Workers who have joined the FTU have done much more than merely answer an interviewer's hypothetical questions.

The membership figures themselves cannot disprove the findings of the opinion polls. But they at least add another factor to the equation. Everyone in Hong Kong should study these statistics and rethink their positions accordingly. And that includes Chris Patten.

UK Business Group on PRC 'Switch in Attitude'

HK2112054793 Hong Kong SOUTH CHINA MORNING POST in English 21 Dec 93 p 2

[From Sheel Kohli in London]

[Text] Officials of the powerful business lobbying group, the Confederation of British Industry (CBI), have hit out at the sudden switch in attitude by Chinese officials towards UK companies competing for contracts on the mainland.

British businesses have become alarmed that their access to opportunities in China should shift so radically following the tabling of Hong Kong democratic reforms by Governor Chris Patten in the Legislative Council last week.

Andrew Lawson, the head of the Southeast Asia department of the CBI, said the move was a contradiction of everything they had heard from China in the past.

He was responding to comments made by the Mayor of Guangzhou, Li Ziliu, and Guangdong Governor Zhu Shenlin that British businesses were to be excluded from Guangzhou's underground railway project, and that they would continue to suffer adverse treatment unless Mr Patten backed down over his democratic reforms.

"All these encouraging noises that they have been making about British business in China have been totally contradicted by the Governor [of Guangzhou] [as published]," Mr Lawson said.

"The Chinese are cutting off their noses to spite their face."

He said such a stance also seriously jeopardised China's application to be a fully fledged member of the General Agreement on Tariffs and Trade's (GATT) successor, the World Trading Organisation.

In language that contrasted sharply to the usual conciliatory tone employed by the CBI about China, Mr Lawson said British companies were likely to be "extremely cheeched off" by the apparent shift in stance. "This attitude is unworthy of a trading nation that aspires to GATT. "In a free trading environment, you do not allow politics to get in the way."

He said an additional point to be made was that the authorities were also denying their population the right to an effective underground railway system.

He indicated that the punishment being meted out to British companies was far in excess of the "crime" committed. "You can have a diplomatic row, which is what all this is, but if it's just a row, then it should not be extended towards trade. "By doing this, trade is getting distorted."

Another China observer representing UK business interests said British companies would have to start considering whether there was any future in embarking on further projects in China. However, moves by the Chinese to limit British business involvement are expected to be short-lived, according to one source.

Macao

Guangdong, Macao Hold Public Security Meeting

OW1812162193 Beijing XINHUA in English 1456
GMT 18 Dec 93

[Text] Macao, December 18 (XINHUA)—Police authorities of both Chinese province of Guangdong and Macao will further strengthen their cooperation in a bid to maintain sound public order in the two neighboring

areas and make greater contributions to the smooth transfer of power in Macao.

Cao Zidong, deputy head of the security department of Guangdong Province, made the remarks here today in an interview with XINHUA after attending the 21st Guangdong-Macao meeting on public security which ended here Friday [17 December].

The cooperation between police authorities of the two regions has lasted for 11 years.

Cao said that he was satisfied with the sincere and effective cooperation between the two sides in recent years.

He disclosed that since the 20th meeting, police authorities of Guangdong and Macao have cooperated successfully in fighting against illegal border crossing, certificates forging, as well as in exchanging materials about crimes and helping each other arrest wanted criminals.

Since the beginning of 1993, the two sides also strengthened checking of certificates at harbors and wharves, he said, adding that, as a result, the number of illegal escapees in the second half of the year dropped by 22 percent over the first half.

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